Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE MARK ROBERT DROUIN,
SPEAKER

1962

FIFTH SESSION, TWENTY-FOURTH PARLIAMENT
10-11 ELIZABETH II

The Session was opened on January 18, 1962
and was adjourned on April 18, 1962

The Twenty-Fourth Parliament was dissolved
on April 19, 1962

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1962

26211-3—A

THE MINISTRY

According to Precedence

April 18, 1962

THE RIGHT HONOURABLE JOHN GEORGE DIEFENBAKER, M.P.	Prime Minister
THE HONOURABLE HOWARD CHARLES GREEN, M.P.	Secretary of State for External Affairs
THE HONOURABLE DONALD METHUEN FLEMING, M.P.	Minister of Finance and Receiver General
THE HONOURABLE GEORGE HEES, M.P. ..	Minister of Trade and Commerce
THE HONOURABLE LÉON BALCER, M.P. ..	Minister of Transport
THE HONOURABLE GORDON CHURCHILL, M.P.	Minister of Veterans Affairs
THE HONOURABLE EDMUND DAVIE FULTON, M.P.	Minister of Justice and Attorney General
THE HONOURABLE GEORGE CLYDE NOWLAN, M.P.	Minister of National Revenue
THE HONOURABLE DOUGLAS SCOTT HARKNESS, M.P.	Minister of National Defence
THE HONOURABLE ELLEN LOUKS FAIRCLOUGH, M.P.	Minister of Citizenship and Immigration
THE HONOURABLE J. ANGUS MACLEAN, M.P.	Minister of Fisheries
THE HONOURABLE MICHAEL STARR, M.P.	Minister of Labour
THE HONOURABLE WILLIAM MCLEAN HAMILTON, M.P.	Postmaster General
THE HONOURABLE WILLIAM J. BROWNE, M.P.	Solicitor General
THE HONOURABLE JAY WALDO MONTEITH, M.P.	Minister of National Health and Welfare

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THE HONOURABLE FRANCIS ALVIN GEORGE HAMILTON, M.P.	Minister of Agriculture
THE HONOURABLE RAYMOND JOSEPH MICHAEL O'HURLEY, M.P.	Minister of Defence Production
THE HONOURABLE DAVID JAMES WALKER, M.P.	Minister of Public Works
THE HONOURABLE JOSEPH PIERRE ALBERT SEVIGNY, M.P.	Associate Minister of National Defence
THE HONOURABLE HUGH JOHN FLEMMING, M.P.	Minister of Forestry
THE HONOURABLE NOEL DORION, M.P. ..	Secretary of State and President of the Privy Council
THE HONOURABLE WALTER DINSDALE, M.P.	Minister of Northern Affairs and National Resources
THE HONOURABLE GEORGE ERNEST HALPENNY, M.P.	Minister without Portfolio
THE HONOURABLE JACQUES FLYNN, M.P.	Minister of Mines and Technical Surveys

PARLIAMENTARY SECRETARIES

To the Prime Minister	JOHN C. PALLETT, M.P. THEOGENE RICARD, M.P.
To the Minister of Finance	RICHARD A. BELL, M.P.
To the Minister of Trade and Commerce	EDMUND L. MORRIS, M.P.
To the Minister of Transport	Q. A. MARTINI, M.P.
To the Minister of Veterans Affairs ...	H. F. JONES, M.P.
To the Minister of Justice	THOMAS M. BELL, M.P.
To the Minister of National Revenue ..	MARCEL LAMBERT, M.P.
To the Minister of National Defence ..	EGAN CHAMBERS, M.P.
To the Minister of Fisheries	ROLAND L. ENGLISH, M.P.
To the Minister of Labour	RICHARD D. THRASHER, M.P.
To the Minister of National Health and Welfare	L. E. CARDIFF, M.P.
To the Minister of Agriculture	W. H. JORGENSON, M.P. JOHN A. CHARLTON, M.P.
To the Minister of Public Works	YVON-ROMA TASSÉ, M.P.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet	R. B. BRYCE
Assistant Clerk of the Privy Council..	A. M. Hill

SENATORS OF CANADA

ACCORDING TO SENIORITY

April 18, 1962

THE HONOURABLE MARK ROBERT DROUIN, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DONAT RAYMOND	De la Vallière	Montreal, Que.
RALPH BYRON HORNER	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE, P.C.	Rosetown	Rosetown, Sask.
JOHN WALLACE DE B. FARRIS	Vancouver South	Vancouver, B.C.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
ARTHUR LUCIEN BEAUBIEN	Provencher	St. Jean Baptiste, Man
ARISTIDE BLAIS	St. Albert	Edmonton, Alta.
CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke, Que.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.	De Lorimier	Outremont, Que
WILLIAM RUPERT DAVIES	Kingston	Toronto, Ont.
GORDON PETER CAMPBELL	Toronto	Toronto, Ont.
WISHART MCLEA ROBERTSON, P.C.	Shelburne	Truro, N.S.
TÉLESPHORE DAMIEN BOUCHARD	The Laurentides	St. Hyacinthe, Que.
CYRILLE VAILLANCOURT	Kennebec	Lévis, Que.
THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg, Man.
WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford, Ont.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
VINCENT DUPUIS	Rigaud	Montreal, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT	Gloucester	Bathurst, N.B.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT	Stadacona	Quebec, Que.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
THOMAS FARQUHAR	Algoma	Little Current, Ont.
JAMES WILLIE COMEAU	Clare	Comeauville, N.S.
THOMAS H. WOOD	Regina	Regina, Sask.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
WILLIAM ALEXANDER FRASER	Trenton	Trenton, Ont.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
CALVERT C. PRATT	St. John's West	St. John's, Nfld.
MICHAEL G. BASHA	West Coast	Curling, Nfld.
MARIANA BEAUCHAMP JODOIN	Sorel	Montreal, Que.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
ALLAN L. WOODROW	Toronto Centre	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford, Ont.
LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie, Que.
SARTO FOURNIER	De Lanaudière	Montreal, Que.
JOHN J. CONNOLLY	Ottawa West	Ottawa, Ont.
NANCY HODGES	Victoria	Victoria, B.C.
DONALD CAMERON	Banff	Edmonton, Alta.
WILLIAM M. WALL	Winnipeg North	Winnipeg, Man.
DAVID A. CROLL	Toronto-Spadina	Toronto, Ont.
THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto, Ont.
FRED A. MCGRAND	Sunbury	Fredericton Junction, N.B

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
CALIXTE F. SAVOIE	L'Acadie	Moncton, N.B.
DONALD SMITH	Queens-Shelburne	Liverpool, N.S.
HAROLD CONNOLLY	Halifax North	Halifax, N.S.
FLORENCE ELSIE INMAN	Murray Harbour	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal, Que.
CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme, Que.
JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup, Que.
SYDNEY JOHN SMITH	Kamloops	Kamloops, B.C.
AUSTIN CLAUDE TAYLOR	Westmorland	Salisbury, N.B.
WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert, Sask.
HENRI CHARLES BOIS	Montarville	St. Bruno, Chambly Co., Que.
J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal, Que.
GEORGE STANLEY WHITE	Hastings-Frontenac	Madoc, Ont.
MARK ROBERT DROUIN (Speaker)	La Salle	Quebec, Que.
CLARENCE V. EMERSON	Saint John-Albert	Saint John, N.B.
JOSEPH A. SULLIVAN	North York	Toronto, Ont.
WILLIAM RALPH BRUNT	Hanover	Hanover, Ont.
ARTHUR M. PEARSON	Lumsden	Lumsden, Sask.
LÉON MÉTHOT	Shawinigan	Trois Rivières, Que.
GUSTAVE MONETTE	Mille Isles	Montreal, Que.
JOHN JOSEPH MACDONALD	Queens	R.R. 9, Charlottetown, P.E.I.
GUNNAR S. THORVALDSON	Winnipeg South	Winnipeg, Man.
JAMES GLADSTONE	Lethbridge	Cardston, Alta.
LIONEL CHOQUETTE	Ottawa East	Ottawa, Ont.
JOHN G. HIGGINS	St. John's East	St. John's, Nfld.
JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton, Alta.
JOHN HNATYSHYN	Saskatoon	Saskatoon, Sask.
FREDERICK MURRAY BLOIS	Colchester-Hants	Truro, N.S.
OLIVE LILLIAN IRVINE	Lisgar	Winnipeg, Man.
JOHN MICHAEL MACDONALD	Cape Breton	North Sydney, N.S.
ALFRED JOHNSON BROOKS, P.C.	Royal	Sussex, N.B.
JOSIE ALICE DINAN QUART	Victoria	Quebec, Que.
LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal, Que.
MALCOLM HOLLETT	Burin	St. John's, Nfld.

See Index for Senators deceased

SENATORS OF CANADA

ALPHABETICAL LIST

April 18, 1962

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, WALTER M., P.C.	Rosetown	Rosetown, Sask.
BAIRD, A. B.	St. John's	St. John's, Nfld.
BASHA, MICHAEL G.	West Coast	Curling, Nfld.
BEAUBIEN, ARTHUR L.	Provencher	St. Jean Baptiste, Man
BEAUBIEN, L.P.	Bedford	Montreal, Que.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BLOIS, FRED. M.	Colchester-Hants	Truro, N.S.
BOIS, HENRI C.	Montarville	St. Bruno, Chambly Co., Que.
BOUCHARD, T. D.	The Laurentides	St. Hyacinthe, Que
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask
BOUFFARD, PAUL H.	Grandville	Quebec, Que.
BRADLEY, F. GORDON, P.C.	Bonavista-Twillingate	Bonavista, Nfld
BROOKS, A. J., P.C.	Royal	Sussex, N.B.
BRUNT, WILLIAM R.	Hanover	Hanover, Ont.
BUCHANAN, JOHN A.	Edmonton	Edmonton, Alta.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B
CAMERON, DONALD	Banff	Edmonton, Alta.
CAMPBELL, G. PETER	Toronto	Toronto, Ont.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
COMEAU, J. W.	Clare	Comeauville, N.S
CONNOLLY, HAROLD	Halifax North	Halifax, N.S
CONNOLLY, JOHN J.	Ottawa West	Ottawa, Ont.
CRERAR, T. A., P.C.	Churchill	Winnipeg, Man
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont
DAVIES, W. RUPERT	Kingston	Toronto, Ont.
DESSUREAULT, J.-M.	Stadacona	Quebec, Que
DROUIN, MARK R., (Speaker)	La Salle	Quebec, Que.
DUPUIS, VINCENT	Rigaud	Montreal, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
EMERSON, CLARENCE V.	Saint John-Albert	Saint John, N.B.
FARQUHAR, THOMAS	Algoma	Little Current, Ont.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERGUSSON, MURIEL McQ.	Fredericton	Fredericton, N.B.
FOURNIER, SARTO	De Lanaudière	Montreal, Que.
FRASER, WILLIAM A.	Trenton	Trenton, Ont.
GERSHAW, F. W.	Medicine Hat	Medicine Hat, Alta.
GLADSTONE, JAMES	Lethbridge	Cardston, Alta.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GRANT, THOMAS V.	Montague	Montague, P.E.I.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HIGGINS, JOHN G.	St. John's East	St. John's, Nfld.
HNATYSHYN, JOHN	Saskatoon	Saskatoon, Sask.
HODGES, NANCY	Victoria	Victoria, B.C.
HOLLETT, MALCOLM	Burin	St. John's, Nfld.
HORNER, R. B.	Blaine Lake	Blaine Lake, Sask.
HOWARD, CHARLES B.	Wellington	Sherbrooke, Que.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
IRVINE, OLIVE L.	Lisgar	Winnipeg, Man.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
JODOIN, MARIANA B.	Sorel	Montreal, Que.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LEFRANÇOIS, J. EUGÈNE	Repentigny	Montreal, Que.
LEONARD, T. D'ARCY	Toronto-Rosedale	Toronto, Ont.
MacDONALD, JOHN J.	Queens	R.R. 9, Charlottetown, P.E.I.
MACDONALD, JOHN M.	Cape Breton	North Sydney, N.S.
MACDONALD, W. ROSS, P.C.	Brantford	Brantford, Ont.
McGRAND, FRED A.	Sunbury	Fredericton Junction, N.B.
McKEEN, STANLEY S.	Vancouver	Vancouver, B.C.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McLEAN, A. NEIL	Southern New Brunswick	Saint John, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
MONETTE, GUSTAVE	Mille Isles	Montreal, Que.
PATERSON, NORMAN McL.	Thunder Bay	Fort William, Ont.
PEARSON, ARTHUR M.	Lumsden	Lumsden, Sask.
POULIOT, JEAN-FRANÇOIS	De la Durantaye	Rivière du Loup, Que.
POWER, C. G., P.C.	Gulf	St. Pacôme, Que.
PRATT, CALVERT C.	St. John's West	St. John's, Nfld.
QUART, JOSIE D.	Victoria	Quebec, Que.
RAYMOND, DONAT	De la Vallière	Montreal, Que.
REID, THOMAS	New Westminster	New Westminster, B C.
ROBERTSON, WISHART McL., P.C.	Shelburne	Truro, N.S.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SAVOIE, CALIXTE F.	L'Acadie	Moncton, N.B.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SMITH, SYDNEY J.	Kamloops	Kamloops, B.C.
STAMBAUGH, J. WESLEY	Bruce	Bruce, Alta.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
TAYLOR, AUSTIN C.	Westmorland	Salisbury, N.B.
TAYLOR, WILLIAM H.	Norfolk	R.R. 3, Brantford, Ont.
THORVALDSON, GUNNAR S.	Winnipeg South	Winnipeg, Man.
TREMBLAY, LEONARD D. S.	Lauzon	St. Malachie, Que.
TURGEON, GRAY	Cariboo	Vancouver, B.C.
VAILLANCOURT, CYRILLE	Kennebec	Lévis, Que.
VENIOT, CLARENCE J.	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WALL, WILLIAM M.	Winnipeg North	Winnipeg, Man.
WHITE, GEORGE S.	Hastings-Frontenac	Madoc, Ont.
WOOD, THOMAS H.	Regina	Regina, Sask.
WOODROW, ALLAN L.	Toronto Centre	Toronto, Ont.

SENATORS OF CANADA

BY PROVINCES

April 18, 1962

ONTARIO—24

	SENATORS	DESIGNATION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	NORMAN P. LAMBERT	Ottawa	Ottawa.
2	SALTER ADRIAN HAYDEN	Toronto	Toronto.
3	NORMAN MCLEOD PATERSON	Thunder Bay	Fort William.
4	WILLIAM RUPERT DAVIES	Kingston	Toronto.
5	GORDON PETER CAMPBELL	Toronto	Toronto.
6	WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford.
7	CHARLES L. BISHOP	Ottawa	Ottawa.
8	ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto.
9	THOMAS FARQUHAR	Algoma	Little Current.
10	WILLIAM ALEXANDER FRASER	Trenton	Trenton.
11	ALLAN L. WOODROW	Toronto Centre	Toronto.
12	WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford.
13	JOHN J. CONNOLLY	Ottawa West	Ottawa.
14	DAVID A. CROLL	Toronto-Spadina	Toronto.
15	THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto.
16	GEORGE STANLEY WHITE	Hastings-Frontenac	Madoc.
17	JOSEPH A. SULLIVAN	North York	Toronto.
18	WILLIAM RALPH BRUNT	Hanover	Hanover.
19	LIONEL CHOQUETTE	Ottawa East	Ottawa.
20			
21			
22			
23			
24			

QUEBEC—24

	SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	DONAT RAYMOND	De la Vallière	Montreal.
2	ADRIAN K. HUGESSEN	Inkerman	Montreal.
3	CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke.
4	LÉON MERCIER GOUIN	De Salaberry	Montreal.
5	THOMAS VIEN, P.C.	De Lorimier	Outremont.
6	TÉLESPHORE DAMIEN BOUCHARD	The Laurentides	St. Hyacinthe.
7	CYRILLE VAILLANCOURT	Kennebec	Lévis.
8	VINCENT DUPUIS	Rigaud	Montreal.
9	JEAN-MARIE DESSUREAULT	Stadacona	Quebec.
10	PAUL HENRI BOUFFARD	Grandville	Quebec.
11	MARIANA BEAUCHAMP JODOIN	Sorel	Montreal.
12	LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie.
13	SARTO FOURNIER	De Lanaudière	Montreal.
14	HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal.
15	CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme.
16	JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup.
17	HENRI CHARLES BOIS	Montarville	St. Bruno, Chambly Co.
18	J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal.
19	MARK ROBERT DROUIN (Speaker)	La Salle	Quebec.
20	LÉON MÉTHOT	Shawinigan	Trois Rivières.
21	GUSTAVE MONETTE	Mille Isles	Montreal.
22	JOSIE ALICE DINAN QUART	Victoria	Quebec.
23	LOUIS PHILIPPE BEAUBIEN	Bedford	Montreal.
24			

NOVA SCOTIA—10

	SENATORS	DESIGNATION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	WISHART MCLEA ROBERTSON, P.C.	Shelburne	Truro.
2	JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg.
3	JOSEPH WILLIE COMEAU	Clare	Comeauville.
4	GORDON B. ISNOR	Halifax-Dartmouth	Halifax.
5	DONALD SMITH	Queens-Shelburne	Liverpool.
6	HAROLD CONNOLLY	Halifax North	Halifax.
7	FREDERICK MURRAY BLOIS	Colchester-Hants	Truro.
8	JOHN MICHAEL MACDONALD	Cape Breton	North Sydney.
9			
10			

NEW BRUNSWICK—10

	THE HONOURABLE		
1	CLARENCE JOSEPH VENIOT	Gloucester	Bathurst.
2	ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John.
3	GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson.
4	MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton.
5	FRED A. MCGRAND	Sunbury	Fredericton Junction.
6	CALIXTE F. SAVOIE	L'Acadie	Moncton.
7	AUSTIN CLAUDE TAYLOR	Westmorland	Salisbury.
8	CLARENCE V. EMERSON	Saint John-Albert	Saint John.
9	ALFRED JOHNSON BROOKS, P.C.	Royal	Sussex.
10			

PRINCE EDWARD ISLAND—4

	THE HONOURABLE		
1	THOMAS VINCENT GRANT	Montague	Montague.
2	FLORENCE ELSIE INMAN	Murray Harbour	Montague.
3	JOHN JOSEPH MACDONALD	Queens	R.R. 9, Charlottetown.
4			

BRITISH COLUMBIA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
The Honourable		
1 John Wallace de B. Farris	Vancouver South	Vancouver.
2 James Gray Turgeon	Cariboo	Vancouver.
3 Stanley Stewart McKeen	Vancouver	Vancouver.
4 Thomas Reid	New Westminster	New Westminster.
5 Nancy Hodges	Victoria	Victoria.
6 Sydney John Smith	Kamloops	Kamloops.

MANITOBA—6

The Honourable		
1 Arthur L. Beaubien	Provencher	St. Jean Baptiste.
2 Thomas Alexander Crerar, P.C.	Churchill	Winnipeg.
3 William M. Wall	Winnipeg North	Winnipeg.
4 Gunnar S. Thorvaldson	Winnipeg South	Winnipeg.
5 Olive Lillian Irvine	Lisgar	Winnipeg.
6	.....	.....

SASKATCHEWAN—6

The Honourable		
1 Ralph Byron Horner	Blaine Lake	Blaine Lake.
2 Walter M. Aseltine, P.C.	Rosetown	Rosetown.
3 Thomas H. Wood	Regina	Regina.
4 William Albert Boucher	Prince Albert	Prince Albert.
5 Arthur M. Pearson	Lumsden	Lumsden.
6 John Hnatyshyn	Saskatoon	Saskatoon.

ALBERTA—6

The Honourable		
1 Aristide Blais	St. Albert	Edmonton.
2 Fred William Gershaw	Medicine Hat	Medicine Hat.
3 J. Wesley Stambaugh	Bruce	Bruce.
4 Donald Cameron	Banff	Edmonton.
5 James Gladstone	Lethbridge	Cardston.
6 John Alexander Buchanan	Edmonton	Edmonton.

NEWFOUNDLAND—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ALEXANDER BOYD BAIRD	St. John's	St. John's.
2 CALVERT C. PRATT	St. John's West	St. John's.
3 MICHAEL G. BASHA	West Coast	Curling.
4 FREDERICK GORDON BRADLEY, P.C.	Bonavista-Twillingate	Bonavista.
5 JOHN G. HIGGINS	St. John's East	St. John's.
6 MALCOLM HOLLETT	Burin	S. John's.

THE SENATE

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First Clerk Assistant	Alcide Paquette, B.A.
Gentleman Usher of the Black Rod	Major C. R. Lamoureux, D.S.O.
Assistant Gentleman Usher of the Black Rod	C. B. Larose
Chief Clerk of Committees	Harvey Armstrong
Chief Treasury Officer	J. W. Dean
Editor of Debates and Chief of Reporting Branch	Graydon Hagen
Chief of Minutes and Journals (English)	Miss Ishbel M. Hutton
Chief of Minutes and Journals (French)	Paul LaRocque
Postmaster	E. C. Watson
Supervisor of Stenographic Service	Miss P. M. Garrow
Chief of Stationery Branch	R. E. C. Lay
Chief of Joint Distribution Office	W. R. Gray
Chief of Protective Service	John C. Phimister
Manager of Parliamentary Restaurant	W. Pentecost

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CANADA

Debates of the Senate

OFFICIAL REPORT

Thursday, January 18, 1962

OPENING OF FIFTH SESSION TWENTY-FOURTH PARLIAMENT

Parliament having been summoned by Proclamation to meet this day for the dispatch of business:

The Senate met at 11 a.m.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

3rd January, 1962

Sir,

I have the honour to inform you that His Excellency the Governor General will arrive at the main entrance of the Parliament Buildings at 3.00 p.m. on Thursday, the 18th January, 1962, and when it has been signified that all is in readiness, will proceed to the Chamber of the Senate to open formally the Fifth Session of the Twenty-fourth Parliament of Canada.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler
Secretary to the
Governor General.

The Honourable
The Speaker of the Senate.

NEW SENATOR

The Hon. the Speaker informed the Senate that the Clerk had received a certificate from the Secretary of State of Canada showing that

Malcolm Hollett, Esquire,

had been summoned to the Senate.

NEW SENATOR INTRODUCED

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

The following honourable senator was introduced; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took and subscribed the oath prescribed by law, which was administered by the Clerk, and was seated:

Hon. Malcolm Hollett, of St. John's, Newfoundland, introduced between Hon. Mr. Aseltine and Hon. Mr. Higgins.

The Hon. the Speaker informed the Senate that the honourable senator named above had made and subscribed the declaration of qualification required by the British North America Act, 1867, in the presence of the Clerk of the Senate, the Commissioner appointed to receive and witness the said declaration.

On motion of Hon. Mr. Aseltine, the Senate adjourned until 2.45 p.m.

SECOND SITTING

The Senate met at 2.45 p.m., the Speaker in the Chair.

Prayers.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At three o'clock His Excellency the Governor General proceeded to the Senate chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to open the Fifth Session of the Twenty-fourth Parliament of Canada with the following speech:

Honourable Members of the Senate,

Members of the House of Commons,

I welcome you as you resume your parliamentary duties.

We look forward to the presence this summer of Her Majesty the Queen Mother, who for many years has endeared herself to the

hearts of all Canadians. We shall also have the pleasure of receiving Their Royal Highnesses the Duke of Edinburgh and the Princess Royal.

During the past year, I have visited several provinces and made an extensive trip to the Northwest Territories. The great North brought home to me the vastness, the far horizons and the beauty of our country. Flying over it, I thought of the wonderful heritage which Providence has entrusted to us. May we be worthy of this stewardship.

While the world outlook contains elements of continuing danger, there are some grounds for cautious optimism. Major military conflicts have been avoided and the processes of conciliation and negotiation are in progress or in prospect on many of the important international issues. The Canadian Government remains devoted to peace as its primary objective.

Recurrent Soviet pressure on Berlin makes it necessary for the Governments of the North Atlantic Alliance to reconcile the preservation of essential rights and interests with a constant readiness to discuss and enter into equitable and safeguarded engagements. My Government has consistently worked towards that end, and approves the resumption of preliminary talks with the U.S.S.R., the success of which will depend on Soviet good faith.

In other areas of tension, Canada has been prominent in international efforts to relieve political, economic and administrative strains which have sometimes accompanied the transition from dependent to independent status of new nations. International peace-keeping arrangements continue to warrant effective Canadian support.

International agreements on measures of controlled disarmament remain vitally necessary if the world is to be freed permanently from the menace of war. As a member of the expanded disarmament committee recently reconstituted, my Government supports the decision to resume disarmament negotiations in March.

The Commonwealth continues to grow as an important instrument for freedom and peace, linking five continents and people of many races. The strengthening of this association is a primary objective of my Government. During 1961, Canada joined in welcoming Cyprus, Sierra Leone and Tanganyika to full membership in the Commonwealth.

My Government derives particular satisfaction from the endorsement by the United Nations of a World Food Program sponsored by Canada, for which you will be asked to authorize a contribution.

You will also be asked to appropriate funds to maintain Canada's external aid program.

Canada's diplomatic representation has been expanded in the Commonwealth, in the French-speaking countries of Africa, and as well in Latin America and in Asia.

While striving to reduce international tensions and promote the peaceful settlement of international disputes, my Government still considers it necessary to provide the support required to strengthen and maintain the defence forces necessary to continue an active role in the North Atlantic Treaty Organization.

Important negotiations are now under way between the British Government and the European Economic Community following the decision of Britain to ascertain whether terms can be negotiated on which it might become a member of that Community. My ministers are following these negotiations carefully, having in mind that their outcome should give full recognition of the vital interests of the Commonwealth and to Canada's position and interests as a major trading nation.

My Government in recent international meetings has reiterated its support for the expansion of world trade on a multilateral non-discriminatory basis and it readiness to play a constructive role in the promotion of world trade. It stands ready to work with other countries in the pursuit of this goal.

My Government plans to recommend to you a number of measures that will constitute further steps in working out the purposes of Confederation and identifying more clearly the Canadian nationality in various aspects of public and business affairs. With this purpose in mind, you will be asked to give effect, with modifications, to the recommendations of the Royal Commission on Publications.

By means of conferences with representatives of provincial Governments, progress has been made toward agreement on a means of amending our constitution in Canada, which would be the final step to bring our formal legal position into line with reality. A formula to accomplish this purpose has been sent to provincial Governments for their consideration.

Legislation will be proposed to require reports to be submitted by business and labour organizations concerning the extent and nature of their operations and whether, and to what extent, they may be owned or controlled outside Canada.

A measure relating to the Senate will be placed before you.

My Government will ask you to take steps to ensure that the forthcoming redistribution of electoral districts is made in an equitable manner upon an objective basis. To this end you will be asked to approve for the first time

in our history a measure to create an independent commission to recommend the changes required in the electoral districts as a result of the decennial census.

Comprehensive measures to put into effect my Government's economic policies were enacted in preceding sessions of this Parliament. The benefits flowing from these policies are now evident in record levels of employment, of production, and of export trade. There has been a substantial improvement since last year in the unemployment situation. As the result of the efforts of my Government through its municipal winter works incentive program, notable progress has been made in meeting the recurrent problem of seasonal unemployment. The Government has already announced its intention of asking you to approve another and larger program of assistance to municipalities for winter works projects.

Further measures to stimulate economic activity and promote national development will be placed before you this session. One of these will be the construction of a railway in the Gaspe Peninsula from Matane to Ste. Anne des Monts. Another will be the construction of a floodway and other works to conserve and control the waters of the Red and Assiniboine Rivers in Manitoba, for which agreement has now been reached with the Province regarding the division of costs.

Other measures which will help to enlarge employment by stimulating economic activity will include a bill to increase the total amount of financing of exports which can be undertaken by the Export Credits Insurance Corporation and an amendment to broaden the scope of the Small Businesses Loans Act.

The success of the recent "Resources for Tomorrow" Conference demonstrated the benefits of co-operation between governments in this field. My Government, in consultation with the Governments of the ten provinces, is examining suggestions made at that Conference for co-operative measures to encourage the wise management and multiple use of Canada's natural resources.

The provision of low-cost electric power is one of the most important factors in the economic growth and industrial development of Canada. As a further step in the national development policy, my Prime Minister has invited the provincial Governments to join with the federal Government in early discussions of the steps that might be taken toward the establishment of long-distance power transmission to link provinces and eventually the different regions of Canada.

You will be asked to provide for an expanded program of encouragement to scientific research by industry in Canada.

A bill will be placed before you intended to enable Canada to participate effectively in arrangements for reinforcing the International Monetary Fund when additional resources are required to maintain stability in exchange markets in the face of substantial capital movements.

The maintenance of fair prices for farm and fishery products also continues to be a matter of prime concern to my Government and you will be asked to provide the funds necessary to sustain the price stabilization policy. My ministers have achieved a gratifying success in finding markets for grain and thereby reducing surplus stocks. The drought in the Prairie provinces during 1961 has resulted in severe losses, however, and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected. Legislation will also be proposed to extend the period of application of the Farm Improvement Loans Act and the Fisheries Improvement Loans Act.

Important measures in the field of social welfare will also be proposed at this session. Your approval will be requested for an increase in the amount of the universal old age pension payable under the Old Age Security Act, and also for legislation to increase the amount to which the federal Government will contribute under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act. After the concurrence of the provinces for the necesary amendment to section 94A of the British North America Act has been secured, Parliament will be asked to approve a constitutional amendment in order to permit the introduction of a contributory system of old age pensions and related survivors' and disability benefits which will be in addition to the existing old age pension legislation and will take into account private pension arrangements and the need for legislation concerning portability of pension rights.

You will be asked to authorize the establishment of a national Council of Welfare similar to the Council of Health which has had a long record of usefulness.

You will be asked to approve an amendment to the Civilian War Pensions and Allowances Act to authorize the payment of allowances under specified conditions to merchant seamen, fire-fighters, foresters, members of voluntary aid detachments and certain other civilians whose war services overseas have been recognized in other respects. Other amending bills will provide for increased allowances and other improvements in the Children of War Dead (Education Assistance) Act and also for the extension of the effective period of the War Services Grants Act and the Veterans Insurance Act and for the extension of the qualifying period under the Veterans Land Act.

My Government will also ask you to appropriate moneys required in the Unemployment Insurance Fund to safeguard the rights of workers until the report of the special committee inquiring into the unemployment insurance program has been received and can be acted upon.

You will be asked to increase the federal grants to universities and make suitable provision in those cases where alternative arrangements are made for supplementary provincial grants in lieu of federal grants.

My Government is initiating negotiations with the provincial and municipal authorities with a view to removing the tolls on the Victoria and Jacques Cartier bridges in Montreal; should these be successful you will be asked to approve legislation for this purpose.

You will be asked to authorize the institution of an automobile ferry service between North Sydney, Nova Scotia, and Argentia, Newfoundland, and to provide for the construction of the necessary vessel and docks.

Other measures will be introduced to amend the Broadcasting Act, the Canada Shipping Act, the Canadian National Railways Capital Revision Act, the Bankruptcy Act and a number of other statutes. You will be asked to approve the ratification of the Universal Copyright Convention.

Members of the House of Commons,

My Government intends to ask you to reconstitute the Special Committee on procedure of the House and request it to make recommendations on the elimination of closure of debates in the House of Commons.

The estimates required for the public service and for payments authorized by Parliament will be laid before you.

Honourable Members of the Senate,

Members of the House of Commons,

I pray that God in His wisdom may grant you light and grace in your deliberations and the fulfillment of your duties.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

Hon. Mr. Brunt presented Bill S-1, relating to railways.

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION ON JANUARY 24

The Hon. the Speaker: Honourable senators, I have the honour to inform you that His Excellency has caused to be placed in my hands a copy of his speech delivered this day from the Throne to the two houses of Parliament. It is as follows:

Hon. Senators: Dispense.

Hon. Mr. Brunt moved, seconded by Hon. Mr. Méthot:

> That the Speech of His Excellency the Governor General be taken into consideration on Wednesday, January 24, 1962.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Mr. Brunt moved, seconded by Hon. Mr. Horner:

> That all the senators present during this session be appointed a committee to consider the Orders and Customs of the Senate and Privileges of Parliament, and that the said committee have leave to meet in the Senate chamber when and as often as they please.

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

Hon. Mr. Brunt moved, seconded by Hon. Mr. Beaubien (Bedford):

> That pursuant to Rule 77, the following senators, to wit: the Honourable Senators Aseltine, Barbour, Brunt, Lefrançois, Macdonald (Brantford), Monette, Smith (Kamloops), Taylor (Norfolk), Thorvaldson and White be appointed a Committee of Selection to nominate senators to serve on the several Standing Committees during the present session; and to report with all convenient speed the names of the senators so nominated.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Brunt: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it stand adjourned until Tuesday, January 23, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, January 23, at 8 p.m.

THE SENATE

Tuesday, January 23, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATORS LEGER AND GOLDING

TRIBUTES

Hon. Walter M. Aseltine: Honourable senators, it is my sad duty at this time to report that since prorogation took place last September two prominent members of the Senate have passed to the Great Beyond, namely, the Honourable Senator Aurel D. Léger and the Honourable Senator William H. Golding. I would like to refer briefly to each of these deceased colleagues.

Senator Aurel D. Léger, I am informed, died on December 28 last. He was a resident of Kent County, in the province of New Brunswick. He had been a prominent member of the Senate of Canada for eight years prior to his death, and before being summoned to the Senate he had been a member of the House of Commons for some thirteen years. Before his election to the House of Commons he played a very prominent part in the public life of that section of New Brunswick in which he resided. He was very faithful in his attendance here in the Senate and was a valuable member of several of its standing committees.

The late Senator Léger will be sorely missed by his many friends and colleagues, and I take this opportunity of extending to his widow and the members of his family our sincere regrets and deepest sympathy.

I wish now to refer to the late Senator William H. Golding. Senator Golding's death was a great shock to me because at Christmastime I had received a short letter from him in which he referred to the coming session of Parliament and stated that he expected to be in attendance as usual. I received another letter from him written on December 30. This letter, which arrived after he died, was written in his own firm, legible handwriting, and in it he congratulated me on my having been made a member of Her Majesty's Canadian Privy Council.

As I have said, that letter did not reach me until a few days after his death. I can hardly believe, honourable senators, that he is no longer with us, and I shall always treasure these two letters that he wrote to me just shortly before he passed away.

As we all know, the late Senator Golding spent a great many years in the public life of Canada, commencing as far back as 1916, when he became a member of the Seaforth Town Council. In 1921 he became Mayor of Seaforth, and held that position for nine years. In 1924 he was responsible for the establishment of the Scott Memorial Hospital, and took a great interest in hospital work of all kinds. He was that hospital's first chairman. Later he was also chairman of the local Public Utility Commission.

Quite naturally, it seems to me, when in 1932 there was a vacancy in the South Huron riding which had to be filled he was chosen as standard bearer. He was elected on that occasion and continued as Liberal member of Parliament until 1949. In Parliament he was held in great esteem, and filled many important posts. He was chairman of the party caucus and was also deputy chairman of the Committees of the Whole House.

In 1949 the late William Golding was summoned to the Senate, and I remember quite well that his first task in this house gave him the honour of moving the adoption of the address in reply to the Speech from the Throne. That was on February 21, 1950. From that time forward he was on record as being one of our most faithful honourable senators and was noted for always being in his place, either in the Senate chamber or in one of the committees of which he was a member.

He was a member of several important standing committees to which he brought a wealth of experience and wisdom.

As honourable senators know it has been my great privilege and pleasure to have known the late senator most intimately ever since he became a member of the Senate, and even before that time he was a very close, dear, personal friend to me. I valued his friendship most highly.

For years he sat at my right at the meetings of the Standing Committee on Divorce. He was blessed with a very high degree of good, sound common sense. He had his feet firmly on the ground, and was always present when he was most wanted. I, as chairman of that committee for some time, valued his advice and co-operation very much.

Senator Golding was a fine Christian gentleman, beloved by all with whom he came in contact. He will be genuinely mourned on Parliament Hill where he was a familiar figure for almost thirty years, and where he was a most outstanding and painstaking parliamentarian.

To his family of two sons and three daughters I wish to express our deep sympathy for the loss of a good father and a distinguished Canadian.

Hon. W. Ross Macdonald: Honourable senators, when Parliament was prorogued in September last little did we think that our honourable colleague, Aurel D. Léger, would not be with us today. We had known for some years of his uncertain health, but we did not realize that he was so critically ill. The announcement of his passing at the comparatively early age of 67 years was indeed unexpected.

Senator Léger was elected to the House of Commons in 1940, at which time I was also a member of that house. We continued our membership there together until 1953 when both of us were summoned to the Senate. Accordingly, we had, and continued to have, many interests in common, and in the light of our mutual experiences we frequently discussed the problems which arose from time to time in this chamber, and I never hesitated to look to him for advice. Having followed his career for thirteen years in the House of Commons and knowing something of his devotion to and his untiring, unselfish efforts on behalf of his constituents, I attached great weight to his opinions.

During the last few years, notwithstanding his failing health, his interest in the work of the Senate never slackened, and when his health permitted he was always to be found in his place, so devoted was he to his duty. During these last years it was a source of deep regret to him that his physical condition prevented him from taking a more active part in our proceedings but never did he shirk any duty which he was able to perform. Those of us who were close to him and had been associated with him over the years can say of him that he was a faithful friend and at all times loyal to the high ideals which motivated his life.

His passing will be a great loss to his loving wife and family, and I join with the honourable Leader of the Government (Hon. Mr. Aseltine) in extending to them our deep sympathy.

May I now refer to our late colleague, the Honourable William Henry Golding, more familiarly known to us as Bill. He had not been well for some time but that was never obvious from any lack of devotion to his duties. Indeed, no senator has had a finer record of attendance and helpful, constructive participation in the work of the Senate than had our dearly beloved deceased member. To the end of his distinguished career, even when his health was rapidly deteriorating, he continued, without a word of complaint, dedicated to his parliamentary duties.

It was my privilege to become acquainted with Senator Golding when I was elected to the House of Commons in 1935. He was then a member of that house. Our friendship increased over the years. It was also my good fortune that in 1945, when I was elected Deputy Speaker of the House of Commons, he was elected Deputy Chairman of Committees of the Whole House. Though he had no legal training, he had had an unusually long term of office as mayor of the town of Seaforth, Ontario, and his experience in that office stood him in good stead in his more important office in the House of Commons. Indeed, he soon had a grasp of the rules of that house equal to that of any lawyer who has held that very responsible position. Over and above the letter of the law, he put a lot of good common sense into his rulings, which won the approval of members on both sides of the house. After coming to the Senate he continued to take a keen interest in the rules and in the proceedings of this chamber, and from time to time he was unanimously elected as Chairman of the Committee of the Whole House.

In debate Senator Golding's words caught and deserved the closest attention and respect from both sides of the house. This, and his unanimous choice as Chairman of the Committee of the Whole, is perhaps the most sincere form of recognition that a member can achieve, and Senator Golding enjoyed it in full measure. We have indeed lost a true friend, and Canada has lost a great statesman and dedicated public servant.

On different occasions the late senator spoke to me of the members of his family and of his deep interest in their well-being. From what he said I know that their love and devotion to him were indeed equalled by his love and devotion to them. Honourable senators, I join with the members of this chamber in extending to them our deep sympathy.

(Translation):

Hon. Clarence J. Veniot: Honourable senators, as dean of the Acadian representatives in this house, I would like to add a few brief remarks to the tribute just rendered to our late colleague, the Honourable Senator Léger.

I had the opportunity to know him better than anyone in this house, because we occupied the same office in the House of Commons during the first five years following his election as the member for Kent, in New Brunswick. During that time, I had in our daily relations many opportunities of appreciating the true value of this gentleman whose behaviour was always unassuming. It is often said that the actions of a man always count more than his words, and, though our colleague may not have been a great speaker, I owe this tribute to his memory that he

was a relentless worker, a conscientious representative who was, to the highest degree, devoted to those who delegated him to Parliament as their spokesman, as well as to his province and to the whole Acadian people.

I could not characterize him better than by quoting a few lines relating to him which were published in the Moncton *Evangeline*, which is the Acadian national paper, on the morrow of his demise, and I quote:

> "Senator Léger was a man who did not make much noise, but he actively looked after the interests of his county. When he was a member of Parliament, he dealt with all the problems submitted by his voters.
>
> He was a man of great dignity who had only friends, even among those who were his political opponents.
>
> He had taken an active interest in all the various aspects of the Acadian cause and had been the spokesman in Ottawa of the whole Acadian people not in resounding speeches, but through his discreet and constant efforts."

I wholeheartedly subscribe to the fine tribute paid to him. The large number of people who attended his funeral bear high witness to the great popularity which he enjoyed in his constituency.

We shall keep fond memories of him, and I join with my colleagues in this house in conveying to his family the expression of our deepest sympathy.

(Text):

Honourable senators, there is little I can add to what has already been said concerning the regrettable death of our colleague, the Honourable William Golding. However, I take this occasion to say a few words in appreciation of the kindness and the friendship with which he honoured me since I entered the House of Commons a quarter of a century ago. In fact, he was one of the first members of that body to extend to me a warm welcome, a welcome which he said was addressed to the son of one of his former esteemed colleagues and friends. His kindly advice to me in those early days and his friendly guidance on ever so many occasions later were of great assistance to me in learning the highways and byways of law-making in Parliament. His sudden departure was a great shock and a source of deep regret to me, and I join the previous speakers in expressing deepest sympathy to the members of his bereaved family.

Hon. William R. Brunt: Honourable senators, I rise at this time to join my colleagues in paying a well-deserved tribute to the memory of a very fine man, namely, William Henry Golding, who passed away at the Scott Memorial Hospital, at Seaforth, Ontario, at the close of last year.

The late Senator Golding was a life-long resident of Huron County. He was first elected to the House of Commons in a by-election held during the year 1932, and was re-elected at the general elections held in 1935, 1940 and 1945. While a member of the House of Commons he served as the Deputy Chairman of Committees of the Whole House, a position which he held on June 25, 1949, when he was summoned to the Senate. While a member of this honourable body he served as a prominent member on the following standing committees: Banking and Commerce, Finance, Public Health and Welfare, and Divorce. I have been told that he took a rather more active part in the debates in the Senate than he did in the debates of the other place, which is understandable. The late Senator Golding was of such a temperament that it was always a pleasure for him to make his worthwhile contribution to the debates held in this chamber. His contribution was always made in a very quiet, but most efficient manner.

I have mentioned the committees on which the late Senator Golding served, and I know from personal knowledge that on each of these committees he made a worthwhile and worthy contribution to their deliberations.

We in this chamber knew him as a solid, honest and highly competent member whose words deserved and received the closest attention and respect from both sides of the aisle. This to me is the most sincere form of recognition that a member can achieve in this chamber, and Bill Golding enjoyed it in full measure.

In his death, Canada has lost a true gentleman, who quietly carried on with his good works in a most efficient and effective way.

The passing of our true friend and beloved colleague leaves a great void in our midst. He will be missed by all of us. I tender my profound and heartfelt sympathy to his two sons and three daughters who survive him, and I join them and his many, many friends in mourning his passing.

Hon. Arthur W. Roebuck: Honourable senators, I have the honour to join others in the tribute that has been paid to my old friend and colleague, Senator Léger, whose passing I deeply regret; but naturally my mind turns to that of the loss this chamber has sustained in the death of Senator Golding, from my own province, a colleague respected in both houses, and more recently a colleague on the committee of which I have the honour to be chairman. I feel that I can speak on behalf of all the members of the Standing Committee

on Divorce, of which he was a highly valued member. I say also with confidence that the first thoughts of all of us are of sympathy for the members of his family, sympathy for them in the loss of a kind and loving father and a distinguished member of their family circle. The children of Senator Golding must have been proud of his great career. They must have recognized the sterling worth of his character and the strength which he exhibited on all occasions.

I knew Senator Golding for many, many years. I had the honour to be his principal speaker at one of the chief assemblies of his campaign as long ago as 1932, and I knew him intimately and admired him ever since. He was successful in that campaign and in others which followed, particularly in that of 1935. In 1940 I followed him to the Commons, where I found him to be, as he deserved to be, a prominent member, enjoying the confidence of the whole house, as was illustrated in the fact that he was chairman over and over again of the committees of the whole. He had the confidence of the Government of that day, I know very well, and was respected by all his colleagues in that house. I came to the Senate in 1945 and he followed me in 1949, and as a member of this house he at once achieved an ascendancy because of the confidence which he inspired. His honesty of thought, his clearness of expression, his genuine worth of character endeared him to us all and we hung upon his words.

I became chairman of the Senate Standing Committee on Divorce in 1954. He was already a valued member of that committee, as the honourable Leader of the Government (Hon. Mr. Aseltine) has mentioned. It is the most exacting and burdensome committee of the Senate and he was number one in attendance. There were other members who occasionally had as good a record of attendance but never anyone better. But that was not all. He was not only a faithful attendant, he was a devoted and dedicated member of that committee, assisting in its administration of justice, and was always ready with a kindly word. We will miss him greatly in that committee, not only for his contribution to the work, but his very presence will be sadly missed. I am sure that when we hold our initial meeting tomorrow morning his vacant chair will be a sad sight.

I can add little to what has been said of the general facts. It is not necessary to say more. But I do say to his family that Canada has lost a faithful and valued public servant. His family loses a kind and loving father and we of the Senate have lost a tried, true and loyal friend.

Hon. G. Percival Burchill: Honourable senators, I can add little to what has been said, and so well said, by the preceding speakers in tribute to our late senator colleague, William H. Golding. They have expressed the feelings of us all with respect to him. My only words are, and I am sure you will all agree with me, that this chamber is poorer on account of the death of Senator Golding.

I would just like to add a few words to what my colleague from Gloucester (Hon. Mr. Veniot) has said about the loss we in New Brunswick have sustained through the death of Senator Léger, because he was a very faithful representative of his province and had its interest and that of his constituency always before him.

I always admired his courage. He put up a brave front here year after year in his struggle for health, because he was afflicted and handicapped, and it was a hard battle to keep going and be on hand for the sittings of the Senate and to take his place in committees. When I would meet him in the corridor I tried to appreciate what he had to contend with, the battle he was waging, and I always had the greatest admiration for his courage.

Others have sketched the career of the late senator, his faithful representation in the House of Commons, and, as we all know, in this chamber he was a very valued member. He was a student of parliamentary procedure and practice and was quite conversant with all the rules of order. Along with Senator Taylor (Westmorland) and Senator Savoie I attended the funeral. The large congregation that assembled to pay tribute to him, which included many from distant points, I felt was a silent but most eloquent testimonial to the very high esteem in which Senator Léger was held.

Hon. John G. Higgins: Honourable senators, I crave the indulgence of this assembly for a few minutes to pay tribute to one who in recent days was my guide, philosopher and friend.

A short time ago there departed from our midst one who had graced both Houses of Parliament, but his memory will ever remain in the hearts of those who knew, respected and admired him. To him is given the eternal reward of a life well spent. To his friends are left the aching pause, the awful blank. We mourn the goodness gone from earth.

It is right and proper that we pay tribute to Senator Golding. It is a sad duty but it is also a pleasant one to be able to pay respect to him who deserves it. Let us praise good men who are no longer with us, for they earned praise in life and they deserve remembrance in death.

As a citizen he was a man without fear or reproach. He played a big part in the life of this country. He was a leader in many matters pertaining to the welfare of Canada. For instance, he was mayor of his home town, Seaforth, for a considerable time and I am told that, through him, the citizens built a local hospital of which he became chairman and which he ran for many years without calling on government or municipality for aid.

He had many years of service in the other house and he played no small part there. I remember one time seeing a friend of mine, a former Cabinet minister, of different political affiliation, talking to Senator Golding. Later I said to the former minister, "I saw you talking to my friend Senator Golding", and he replied, "Yes, John, and he is a fine gentleman, an able man. I was in Parliament with him for many years and we became great friends. He was Chairman of Committees of the Whole on different occasions and he handled that office in a most admirable way; he is a man of great capability and a thorough gentleman."

Although of an easy-going disposition and an even temper, disliking turmoil and roughness, I think Senator Golding could be aroused when the occasion demanded action, and I am sure he was never found wanting when public spirit was needed. He seemed to me to be a man who could show an indomitable will and a strength of purpose. His experience in the art of politics must have been profound. We can remember an occasion in this Senate chamber not so long ago when he ended a debate by giving us a short lecture on ways and means, which finished the discussion.

Although he had long passed the scriptural term of years, he kept his faculties to the last. To the end his memory was as retentive as ever, his voice was undisturbed, and his mind was ever alert. He spent many years in the Senate. In the short time in which I served here I can speak from firsthand knowledge that he was one of the most important senators and, from what I have heard from others, he was always a great asset in the deliberations of the Senate and its various committees. After all, he came to the Senate with long and broad experience in the other house.

How often have I gone to his Senate room to obtain some information on a particular subject, to be enlightened on some point of political view, or on some piece of history, and never was I disappointed. He had great knowledge of political issues of the past, of important historical events, and of outstanding characters who had made an impression on the pages of Canadian history. I was not the only one to profit thereby. I know that many others had gone to him looking for advice and information, and what he told could be safely accepted, for he was a man without guile or prejudice. It was pleasant being in his company at all times, because he possessed that characteristic which makes all other traits so attractive, kindliness of heart, and he had that in abundance.

Senator Golding was deeply religious. I am sure that the Sermon on the Mount appealed to him and that the Ten Commandments ruled his judgment and guided his actions. He had an abiding faith. He was a humble man. He held, to a rare degree, that noblest of all virtues and the one most sparsely practised in this commercial, self-advertising age—he was the apotheosis of humility. He was ever charitable in his estimate of others, and he always paid respect to opinions that might have differed from his own. The success of others never aroused any jealousy or antagonism in him, and envy could find no place in a nature that was so soft, placid and honourable.

It was my lot to have known him but a short time, just for the three years I have served in the Senate, but that was long enough for me to evaluate the sterling character of the man, with his unselfishness, his charity, his beneficence, his probity and his unbounded humility. All of us can feel and say:

> He was a man, take him, for all in all
> We shall not look upon his like again.

I did not know the Honourable Mr. Léger, except in a very small way. He was a quiet gentleman, but was very attentive to his Senate duties. There are many who can speak in a fuller way about him than I.

Honourable senators, now that both these gentlemen have departed to the eternal bourne, I offer my deepest sympathy to their families and I express the kindest and most charitable wish that anyone could express about the dead: May the Lord have mercy on their souls and may perpetual light shine upon them.

Hon. George H. Barbour: Honourable senators, I would be very remiss in my duties were I not to say a word, because I stand by one of the vacant chairs in this chamber.

It was my good fortune to be appointed to the Senate at the same time as the Honourable Mr. Golding, and he had been my deskmate since then. Our rooms were on the same floor, and to go to my door I had to pass his. The last three or four years had been very trying for Senator Golding. His wife was an invalid for two or three years and passed away some two years ago. During the last two years, due to the absence because of illness of the honourable senator from Algoma (Hon. Mr. Farquhar), Senator Golding was alone in the room which they shared.

Senator Golding set a very rigid, daily routine for himself. At 7.20 in the morning he could be seen arriving at this building, and he stayed here until 9.30 at night. He did this one day after another. It was rather a killing pace, but that was the way he wanted to conduct his life. If I did not look in at his door and say "Good morning", when I saw him the next morning he would say, "You did not call in yesterday." So I made a point of going into his room and having a word or two with him. I had many conversations with him, and although I knew him perhaps not nearly as long as many honourable senators, I think I knew him as well as most.

In his youth he decided on a certain course of conduct that he intended to follow. It is one thing to have knowledge, to know what one should do, but it is an entirely different thing to have the wisdom at all times to follow that course. His line was no crooked one; he followed it to the letter. He knew when he got up each morning where he was going and what he was going to do. He was of an independent nature. He was so independent that he refused to take the pension until he was over 80 years of age, and then only after his daughter obtained the necessary papers and got him to sign them. Until then he was perfectly content to get along without a pension.

Senator Golding was a machinist by trade, and he was a success in that occupation. The Leader of the Government has told us about the various activities which he pursued. He was chairman of the Scott Memorial Hospital at Seaforth for 20 years. When he retired from that position the hospital had $18,000 in bonds after meeting expenses.

He felt that one should have enough money on which to live and pay his bills, but beyond that he was not too much interested in money. He told me on one occasion, "When you come to the end of your life if you have not a good character you go out of this life empty handed and take nothing into the next world." That is the standard by which Senator Golding lived.

I had letters from him to the same effect as those which the Leader of the Government received. I received one from him on November 1. At that time he was quite sick. He wrote that he was living from day to day and was fully prepared for whatever might happen. I received another long letter which he had written on December 28, in his own handwriting, and in it he said that he hoped to meet us here when Parliament met.

Senator Golding left what he wanted to leave, an honourable name to his family. This house is much poorer for the loss that we have sustained, and I am sure that I am joined by every honourable senator in extending sincere sympathy to his family.

Hon. Jean-François Pouliot: Honourable senators, I hesitate to rise, having listened to such fine tributes given in such a large number to our deceased colleagues. In spite of their proverbial modesty, both of them had similar qualities. They had wisdom; they had broadmindedness; they had loyalty to their friends; and they had all the qualities that are to be expected from public men. They were men with a very high sense of duty. Very often I sought the advice of Senator Golding when I did not know exactly what course to follow. I relied on him.

What will not surprise honourable senators is that all of the good things that have been said about both of our lamented colleagues was said by them, during their lifetime, about all of us.

I wrote to the family of Senator Golding, after having heard of his departure, and one of his daughters replied as follows:

> Dad talked so much about his friends in the Senate and in Ottawa that I feel I have known most of them all my life, even though I have not met them personally. I know Dad valued your friendship over these many years that you have been together in Parliament.

That is a tribute that honours all of us.

Both Senator Léger and Senator Golding were the salt of the earth. We shall miss them in this chamber. We shall miss them in the committees where they sat and where they demonstrated their experience and good judgment. We will remember them as good friends and good citizens.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, may another Quebec member express his condolences to the families of our two colleagues who left us since the last session. They have both passed on. They are no longer among us, but their memory will endure.

It seems to me that two things could be learned from the lives of both those late colleagues: Senator Leger, always gentle, quiet, but true to his duties, seems to have always lived according to the saying that: good seldom comes from noise and is almost always done without noise. He was a steadfast worker.

Senator Golding, while he was not a lawyer, always made relevant remarks. I always wondered how he could remember such relevant comments. One day I asked him and he replied: "I lived among the people, and you know that the ordinary people

teach us many good things". And the great popularity of Senator Golding was due to his calm and kind character; at eighty, he remained quite a young man.

To the families of both deceased members, I offer my deepest condolences.

(Text):

The Hon. the Speaker: Honourable senators, in remembrance of, and as a final tribute to, our esteemed colleagues who have passed away I would ask honourable senators to rise in their places for a few moments of silence and prayer.

Honourable senators stood in silence.

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN TABLED

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian to the Fifth Session of the Twenty-fourth Parliament, 1962.

Ordered: That the report do lie on the Table.

DOCUMENTS TABLED

Hon. Walter M. Aseltine: Honourable senators I have a list of some forty documents to table at this time, and I hope that I may be excused from reading it. Not all of the documents I have are on this list, and tomorrow I shall have a further list. It was my opinion that a list of forty was sufficient for one sitting. Have I your permission to dispense with the reading of this list?

Hon. Mr. Macdonald (Brantford): Agreed.

The following documents were then tabled:

Report of the Eastern Rockies Forest Conservation Board for the fiscal year ended March 31, 1961, pursuant to section 10 of the Eastern Rocky Mountain Forest Conservation Act, Chapter 59 of the Statutes of Canada, 1947. (English text).

Report of the Department of Forestry for the fiscal year ended March 31, 1961, pursuant to section 12 of the Department of Forestry Act, Chapter 41 of the Statutes of Canada, 1960. (English text).

Report of the Department of Labour for the fiscal year ended March 31, 1961. (English text).

Copy of Ordinances, Chapters 1 to 5, made by the Commissioner in Council of the Yukon Territory, assented to November 29, 1961, pursuant to section 20 of the Yukon Act, Chapter 53 of the Statutes of Canada, 1952-53, together with a copy of Order in Council P.C. 1961-1848, dated December 21, 1961, approving same. (English text).

Copies of Authentic Texts of a Convention and a Recommendation adopted by the Forty-fifth Session of the International Labour Conference, held at Geneva, in June 1961 (English and French texts); together with copies of a letter from the Deputy Attorney General of Canada, setting out the legislative jurisdiction of these international instruments, as follows:

Convention No. 116 concerning the Partial Revision of the Convention, adopted by the General Conference of the International Labour Organisation at its first Thirty-two Sessions for the purpose of Standardising the Provisions regarding the Preparation of Reports by the Governing Body of the International Labour Office on the Working of Conventions; and Recommendation No. 115 concerning Workers' Housing.

Report of the President and Statement of Accounts Certified by the Auditors of the Industrial Development Bank for the year ended September 30, 1961, pursuant to section 29(4) of the Industrial Development Bank Act, Chapter 151, R.S.C. 1952. (English and French texts).

Report of Operations under the International River Improvements Act for the year ended December 31, 1961, pursuant to section 11 of the said Act, Chapter 47 of the Statutes of Canada, 1955. (English text).

Report of the Superintendent of Insurance of Canada, Volume II, Annual Statements of Fire and Casualty Insurance Companies, and of Accident and Sickness Insurance transacted by Life Insurance Companies in Canada, for the year ended December 31, 1960, pursuant to section 9 of the Department of Insurance Act, Chapter 70, R.S.C. 1952. (English and French texts).

Classification of Loans and Deposits of the Chartered Banks of Canada, as at September 30, 1961, pursuant to section 119(1) of the Bank Act, Chapter 48 of the Statutes of Canada, 1953-54. (English text).

Report of Expenditures and Administration in connection with the Family Allowances Act and the Old Age Security Act for the fiscal year ended March 31, 1961, pursuant to section 14 of the Family Allowances Act, Chapter 109, R.S.C. 1952, and section 12 of the Old Age Security Act, Chapter 200, R.S.C. 1952. (English and French texts).

Report on the Operation of Agreements with the Provinces under the Hospital Insurance and Diagnostic Services Act for the fiscal year ended March 31, 1961, pursuant to section 9 of the said Act, Chapter 28 of the Statutes of Canada, 1957. (English and French texts).

Orders in Council, pursuant to section 21B of the Export Credits Insurance Act, Chapter 105, R.S.C. 1952, as amended 1960-61, as follows: (English texts)—

(1) Order in Council P.C. 1961-1483, dated October 17, 1961, authorizing a contract of insurance by the Export Credits Insurance Corporation for shipments of wheat to Poland prior to December 31, 1961.

(2) Order in Council P.C.1961-1543, dated October 20, 1961, authorizing a contract of insurance by the Export Credits Insurance Corporation for the sale by Montreal Locomotive Works, Montreal, of 70 diesel electric locomotives and spare parts to Empress Ferro-carriles del Estado Argentino, Buenous Aires, Argentina (The Argentine State Railways).

(3) Order in Council P.C.1961-1620, dated November 9, 1961, authorizing a contract of insurance by the Export Credits Insurance Corporation for the sale by Dominion Steel and Coal Corporation, Limited, Sydney, of steel rails and track accessories to Ferro-carriles Nacionales de Mexico (The Mexican National Railways).

(4) Order in Council P.C.1961-1732, dated November 30, 1961, authorizing a contract of insurance by the Export Credits Insurance Corporation for the sale by Montreal Locomotive Works, Montreal, of 10 diesel electric locomotives and spare parts to Companhia Siderurgica Nacional, Rio de Janiero, Brazil.

(5) Order in Council P.C.1961-1794, dated December 14, 1961, authorizing a contract of insurance by the Export Credits Insurance Corporation for the sale by Dominion Steel and Coal Corporation, Limited, Sydney, of steel rails and track accessories to Ferrocarriles Nacionales de Mexico (The Mexico National Railways), and revoking Order in Council P.C.1961-1620, dated November 9, 1961.

Capital Budget of Northern Ontario Pipe Line Crown Corporation for the year ending December 31, 1962, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C. 1952, together with copy of Order in Council P.C.1962-25, dated January 9, 1962, approving same. (English text).

Capital Budgets of Eldorado Mining and Refining Limited, Northern Transportation Company Limited, and Eldorado Aviation Limited, for the year ending December 31, 1962, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C.1962-27, dated January 9, 1962, approving same. (English text).

Report of Operations under the Export and Import Permits Act for the year ended December 31, 1961, pursuant to section 26 of the said Act, Chapter 27 of the Statutes of Canada, 1953-54. (English text).

Revised Capital Budget of Trans-Canada Air Lines for the year ended December 31, 1961, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C. 1961-1856, dated December 28, 1961, approving same. (English text).

Revised Capital Budget of The St. Lawrence Seaway Authority for the year ended December 31, 1961, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C. 1961-1889, dated December 29, 1961, approving same. (English text).

Capital Budget of The St. Lawrence Seaway Authority for the year ending December 31, 1962, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S.C. 1952, together with a copy of Order in Council P.C. 1962-23, dated January 9, 1962, approving same. (English text).

Statutory Orders and Regulations, published in The Canada Gazette, Part II, of Wednesday, September 27, October 11 and 25, November 8 and 22, and December 13 and 27, 1961, pursuant to section 7 of the Regulations Act, Chapter 235, R.S.C. 1952, together with Consolidated Index and Table of Statutory Orders and Regulations for the period January 1, 1955, to September 31, 1961. (English and French texts).

Report, dated October 13, 1961, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning Alleged Attempts at Resale Price Maintenance in the Distribution and Sale of Cameras and Related Products (Garlick Films Limited). (English text).

Report of the Director of Investigation and Research, Combines Investigation Act, for the fiscal year ended March 31,

1961, pursuant to section 44 of the said Act, Chapter 314, R.S.C. 1952. (English text).

Order in Council P.C. 1961-1683, dated November 23, 1961, amending Order in Council P.C. 1954-1976 of December 16, 1954, by substituting a new Rule Number 108 of the Bankruptcy Rules, pursuant to section 166(2) of the Bankruptcy Act, Chapter 14, R.S.C. 1952. (English and French texts).

Report relating to the Administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1961, pursuant to section 41(2) of the said Act, Chapter 111, R.S.C. 1952. (English and French texts).

Report on the Administration of Part I of the Royal Canadian Mounted Police Superannuation Act for the fiscal year ended March 31, 1961, pursuant to section 25 of the said Act, Chapter 34 of the Statutes of Canada, 1959. (English text).

Report of the Department of Public Printing and Stationery for the fiscal year ended March 31, 1961, pursuant to section 36 of the Public Printing and Stationery Act, Chapter 226, R.S.C. 1952. (English and French texts).

Orders in Council, pursuant to section 60(2) of the Canada Elections Act, Chapter 39 of the Statutes of Canada, 1960, as follows: (English and French texts)—

(1) Order in Council P.C. 1961-433, dated March 23, 1961, establishing a Tariff of Fees for Election Officers and Other Persons Engaged in the Conduct of Elections, and revoking the Federal Elections Fees Tariff made by Order in Council P.C. 1958-93, dated January 16, 1958.

(2) Order in Council P.C. 1961-434, dated March 23, 1961, establishing a Tariff of Fees for Special Returning Officers and Other Persons Appointed to Act at a General Election Pursuant to The Canadian Forces Voting Rules, and revoking the Canadian Forces General Elections Fees Tariff made by Order in Council P.C. 1958-94, dated January 16, 1958.

(3) Order in Council P.C. 1961-435, dated March 23, 1961, establishing a Tariff of Fees for Election Officers and Other Persons Engaged in the Conduct of an Election of Members to Serve in the Councils of the Northwest Territories and of the Yukon Territory, and revoking the Yukon and Northwest Territories Councils Election Fees Tariff made by Order in Council P.C. 1957-1698, dated December 20, 1957.

(4) Order in Council P.C. 1961-436, dated March 23, 1961, establishing a Tariff of Fees for Election Officers and Other Persons Engaged at or with Respect to the Conduct of an Election in the Electoral Districts of Yukon and Mackenzie River, and revoking the Yukon and Mackenzie River Electoral Districts Election Fees Tariff made by Order in Council P.C. 1957-1699, dated December 20, 1957.

Report of the Department of Veterans Affairs, the Canadian Pension Commission, and the War Veterans Allowance Board for the fiscal year ended March 31, 1961, pursuant to section 9 of the Department of Veterans Affairs Act, Chapter 80, R.S.C. 1952. (English text).

Report on Activities under the Prairie Farm Assistance Act for the Crop Year ended July 31, 1961, pursuant to section 12 of the said Act, Chapter 213, R.S.C. 1952. (English text).

List of Apportionments and Adjustments of Seed Grain, Fodder for Animals and Other Relief Indebtedness for the period from November 18, 1960 to January 18, 1962, as required by section 2 of the Act Respecting Certain Debts Due to the Crown, Chapter 51 of the Statutes of Canada, 1926-27.

Statement of all monies refunded under the authority of section 3 of the Natural Resources Act, Chapter 35 of the Statutes of Canada, 1932. Nil Report.

Report of the Superintendent of Insurance with respect to Co-Operative Credit Societies to which Certificates have been granted under the Co-Operative Credit Associations Act for the year ended December 31, 1960. (English text).

Order in Council P.C. 1961-341, dated March 9, 1961, authorizing the manner in which fishing bounty may be distributed for the fiscal year 1960-61, pursuant to section 4 of The Deep Sea Fisheries Act, Chapter 61, R.S.C. 1952, together with statement setting out how the payments were made. (English text).

Universal Copyright Convention signed by Canada at Geneva on September 6, 1952. (English and French texts).

Hon. Mr. Aseltine: I would like to refer to the last-mentioned document, namely the Universal Copyright Convention signed by Canada at Geneva on September 6, 1952, (English and French texts). Honourable senators may not remember, but this document has already

been tabled in the form of appendix D to the Report on Copyright, dated August 1, 1957, by the Royal Commission on Patents, Copyright, Trade Marks and Industrial Designs, which was tabled in the Senate on June 11, 1958. This document is quite lengthy. I am not asking that it be printed in the Debates of the Senate because the Secretary of State has some 500 copies, and I understand a copy will be made available to each honourable senator who wishes to have one. That is all I need to say on the subject at this time.

The Hon. the Speaker: It would not be practical to have it printed in *Hansard* anyway.

DIVORCE

REPORT OF COMMITTEE OF SELECTION ADOPTED

Hon. George S. White, Chairman of the Committee of Selection, presented the committee's first report:

> The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, make their first report, as follows:
>
> Your committee have the honour to submit herewith the list of senators selected by them to serve on the Standing Committee on Divorce, namely:
>
> The Honourable Senators *Aseltine, Baird, Barbour, Blois, Bradley, Burchill, Cameron, Croll, Farris, Gershaw, Gladstone, Hnatyshyn, Hollett, Horner, Inman, Irvine, Isnor, Kinley, Lambert, *Macdonald (Brantford), Roebuck, Smith (Queens-Shelburne), Taylor (Westmorland) and Thorvaldson. (22)
>
> **Ex officio* members.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. White: With leave of the Senate, I move that the report be adopted now.

Report adopted.

APPOINTMENT OF COMMITTEE

Hon. Mr. Aseltine, with leave of the Senate, moved:

> That the senators mentioned in the first report of the Committee of Selection as having been chosen to serve on the Standing Committee on Divorce during the present session, be and they are hereby appointed to form part of and constitute the said committee to inquire into and report upon such matters as may be referred to them from time to time.

Hon. Arthur W. Roebuck: Honourable senators, may I make a comment at this time? The committee that has just been nominated will meet tomorrow morning at 10.30 in the usual Senate Divorce Committee premises, and I trust that all members will be present on that occasion, for our purpose in meeting will be to organize for the duties that are to come.

I should like to take this opportunity to express a welcome to the new members of the Standing Committee on Divorce who will be serving for the first time on what I have already described this evening as the heaviest and the most exacting committee of this house. It may interest my fellow members to know that there are already lodged with the officials of the Senate as many as 400 petitions of divorce. Those will be added to, of course, as we go on, and so I think we may anticipate one of the most demanding sessions in this regard we have ever had.

Hon. Mr. Farris: How many petitions did you have last year?

Hon. Mr. Roebuck: We handled about 350 or a little more. This year we will probably hear as many as 500 cases. It will be a real burden on those who have generously accepted service on this committee.

I personally feel grateful to those whom I have asked to join the committee in its labours, for without any particular desire to serve on the committee they have felt it their duty to accept the task and to join us. It may not be quite as bad as it sounds, for we meet in the mornings and transact the business, and there is a certain camaraderie among us that is highly delightful. There is a certain enjoyment in the work, not the work itself particularly but the associations that go with it, and the satisfaction that one feels in doing a service of this kind which brings little acclaim to the members but which is a duty we must perform. So I congratulate those who have come with us this session for the first time, and I wish to express gratitude also to those who have served in the past and who are not on this list today. I can assure those who have been on this committee that their work has not been in vain and has not been unappreciated. I look forward to meeting the members of the committee tomorrow morning at 10.30 in the usual place.

Motion agreed to.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. Mr. White presented the second report of the Committee of Selection.

> The Committee of Selection, appointed to nominate senators to serve on the several standing committees for the present session, make their second report, as follows:

Your committee have the honour to submit herewith the list of senators selected by them to serve on each of the following standing committees, namely:

Hon. Mr. Macdonald (Brantford): Dispense.

For text of report see appendix, pp. 16-17.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Macdonald (Brantford): Next sitting.

Hon. Mr. White: Next sitting.

UNIVERSAL COPYRIGHT CONVENTION

NOTICE OF MOTION FOR APPROVAL

Hon. Mr. Aseltine: Honourable senators, with respect to a document I tabled earlier this evening I wish to give notice of motion that on Thursday next, January 25, 1962, I will move:

That it is expedient that the Houses of Parliament do approve the Universal Copyright Convention signed by Canada in Geneva in 1952 and Protocol 3 thereto, and that this House do approve the same.

Hon. Mr. Macdonald (Brantford): May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) if it is his intention to proceed with that motion on Thursday next?

Hon. Mr. Aseltine: No, I have no intention of going ahead with it at that time. I will give the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) plenty of advance notice of the date on which I intend to proceed with it.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 15*)

REPORT OF COMMITTEE OF SELECTION

The Committee of Selection, appointed to nominate Senators to serve on the several Standing Committees for the present Session, make their second report, as follows:

Your committee have the honour to submit herewith the list of Senators selected by them to serve on each of the following standing committees, namely:

JOINT COMMITTEE ON THE LIBRARY

The Honourable Senators Aseltine, Cameron, Davies, Fergusson, Fournier, Gladstone, Gouin, Irvine, Lambert, Macdonald (Cape Breton), MacDonald, McDonald, Pouliot, Reid, Vien, Wall and Wilson. (17)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Barbour, Beaubien (Bedford), Blais, Bouffard, Bradley, Choquette, Comeau, Davies, Isnor, McGrand, Pearson, Reid, Savoie, Smith (Kamloops), Stambaugh, Thorvaldson, Turgeon and Wood. (18)

JOINT COMMITTEE ON THE RESTAURANT

The Honourable the Speaker, the Honourable Senators Beaubien (Provencher), Fergusson, Hodges, McLean, Reid and White. (7)

STANDING ORDERS

The Honourable Senators *Aseltine, Beaubien (Provencher), Bishop, Blois, Brooks, Hayden, Hollett, Horner, Inman, Kinley, *Macdonald (Brantford), McLean, Méthot, Pratt, Tremblay and Wood. (14)

**Ex officio* member

BANKING AND COMMERCE

The Honourable Senators *Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Bois, Bouffard, Brooks, Brunt, Burchill, Campbell, Choquette, Connolly (Ottawa West), Crerar, Croll, Davies, Dessureault, Emerson, Farris, Gershaw, Gouin, Hayden, Horner, Howard, Hugessen, Irvine, Isnor, Kinley, Lambert, Leonard, *Macdonald (Brantford), McDonald, McKeen, McLean, Molson, Monette, Paterson, Pouliot, Power, Pratt, Reid, Robertson, Roebuck, Smith (Kamloops), Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien, Wall, White, Wilson and Woodrow. (50)

**Ex officio* member

TRANSPORT AND COMMUNICATIONS

The Honourable Senators *Aseltine, Baird, Beaubien (Provencher), Bishop, Blois, Bouffard, Bradley, Brunt, Buchanan, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Dessureault, Dupuis, Emerson, Farris, Gershaw, Gladstone, Gouin, Hardy, Hayden, Hollett, Horner, Hugessen, Isnor, Jodoin, Kinley, Lambert, Lefrancois, *Macdonald (Brantford), Macdonald (Cape Breton), McGrand, McKeen, McLean, Méthot, Molson, Monette, Paterson, Pearson, Power, Quart, Reid, Robertson, Roebuck, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Westmorland), Thorvaldson, Veniot, Vien and Woodrow. (50)

**Ex officio* member

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators *Aseltine, Baird, Beaubien (Bedford), Beaubien (Provencher), Bois, Boucher, Bouffard, Brooks, Brunt, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Dupuis, Farris, Hayden, Higgins, Hnatyshyn, Hollett, Horner, Howard, Hugessen, Lambert, Macdonald (Cape Breton), *Macdonald (Brantford), McDonald, Monette, Quart, Reid, Roebuck, Stambaugh, Sullivan, Taylor (Norfolk), Taylor (Westmorland), Thorvaldson, Tremblay and White. (34)

**Ex officio* member

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

The Honourable Senators *Aseltine, Basha, Beaubien (Bedford), Beaubien (Provencher), Bouffard, Brunt, Campbell, Choquette, Connolly (Ottawa West), Dessureault, Drouin (Speaker), Gouin, Hayden, Hodges, Howard, Isnor, *Macdonald (Brantford), McDonald, McLean, Molson, Paterson, Quart, Robertson, Turgeon, Vaillancourt, Vien and Wilson. (25)

**Ex officio* member

EXTERNAL RELATIONS

The Honourable Senators *Aseltine, Beaubien (Provencher), Blois, Boucher, Bradley, Brooks, Crerar, Croll, Farquhar, Farris, Fergusson, Fournier, Gouin, Hardy, Hayden, Hnatyshyn, Howard, Hugessen, Inman, Jodoin, Lambert, MacDonald, *Macdonald (Brantford), McLean, Monette, Pouliot, Robertson,

Savoie, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Veniot, Vien, Wall, White and Wilson. (35)

**Ex officio* member

FINANCE

The Honourable Senators *Aseltine, Baird, Barbour, Beaubien (Bedford), Beaubien (Provencher), Blois, Bouffard, Brooks, Brunt, Buchanan, Burchill, Campbell, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Crerar, Croll, Dupuis, Emerson, Farris, Fraser, Gershaw, Grant, Hayden, Higgins, Hnatyshyn, Horner, Isnor, Lambert, Leonard, *Macdonald (Brantford), McKeen, Molson, Paterson, Pearson, Power, Pratt, Quart, Reid, Robertson, Roebuck, Savoie, Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien, Wall, White and Woodrow. (50)

**Ex officio* member

TOURIST TRAFFIC

The Honourable Senators *Aseltine, Baird, Basha, Beaubien (Provencher), Bishop, Bois, Bouffard, Cameron, Connolly (Halifax North), Crerar, Croll, Davies, Dupuis, Emerson, Fergusson, Fraser, Gershaw, Horner, Inman, Isnord, Jodoin, *Macdonald (Brantford), Méthot, McLean, Roebuck, Smith (Kamloops) and Tremblay. (25)

**Ex officio* member

DEBATES AND REPORTING

The Honourable Senators *Aseltine, Beaubien (Bedford), Bishop, Davies, Grant, Irvine, *Macdonald (Brantford), McGrand, Monette, Savoie and Tremblay. (9)

**Ex officio* member

NATURAL RESOURCES

The Honourable Senators *Aseltine, Barbour, Basha, Beaubien (Provencher), Bois, Bouffard, Brooks, Buchanan, Burchill, Cameron, Choquette, Comeau, Crerar, Dessureault, Dupuis, Emerson, Farquhar, Fraser, Gladstone, Hayden, Higgins, Horner, Kinley, *Macdonald (Brantford), McDonald, McKeen, McLean, Méthot, Paterson, Pearson, Power, Raymond, Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Vien and Wood. (37)

**Ex officio* member

IMMIGRATION AND LABOUR

The Honourable Senators *Aseltine, Beaubien (Provencher), Blais, Bouchard, Boucher, Buchanan, Burchill, Campbell, Crerar, Croll, Dupuis, Farquhar, Fergusson, Fournier, Gershaw, Hardy, Hnatyshyn, Hodges, Horner, Hugessen, Lefrancois, Macdonald (Cape Breton), *Macdonald (Brantford), Monette, Pearson, Quart, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Wall, White, Wilson and Wood (34).

**Ex officio* member

CANADIAN TRADE RELATIONS

The Honourable Senators *Aseltine, Baird, Beaubien (Bedford), Bishop, Blais, Blois, Brunt, Buchanan, Burchill, Campbell, Crerar, Davies, Dessureault, Emerson, Fraser, Gouin, Higgins, Howard, Kinley, Lambert, Leonard, *Macdonald (Brantford), McKeen, McLean, Méthot, Molson, Paterson, Pearson, Pouliot, Pratt, Robertson, Smith (Kamloops), Turgeon and Vaillancourt (34).

**Ex officio* member

PUBLIC HEALTH AND WELFARE

The Honourable Senators *Aseltine, Beaubien (Bedford), Blais, Burchill, Choquette, Comeau, Connolly (Halifax North), Dupuis, Emerson, Farris, Fergusson, Gershaw, Gladstone, Gouin, Grant, Inman, Irvine, Jodoin, Kinley, MacDonald, *Macdonald (Brantford), McGrand, Monette, Pratt, Quart, Roebuck, Smith (Queens-Shelburne), Stambaugh, Sullivan, Thorvaldson, Veniot, Wall, Wilson and Woodrow (32).

**Ex officio* member

CIVIL SERVICE ADMINISTRATION

The Honourable Senators *Aseltine, Bishop, Blois, Bouchard, Brooks, Brunt, Cameron, Choquette, Connolly (Ottawa West), Davies, Dessureault, Dupuis, Fergusson, Gouin, Higgins, Irvine, Kinley, Lambert, *Macdonald (Brantford), Quart, Roebuck, Taylor (Norfolk), Turgeon and Wilson (22).

**Ex officio* member

PUBLIC BUILDINGS AND GROUNDS

The Honourable Senators *Aseltine, Barbour, Brunt, Buchanan, Choquette, Connolly (Ottawa West), Dessureault, Horner, Lambert, *Macdonald (Brantford), McGrand, Paterson, Pouliot, Quart and Wilson (13).

**Ex officio* member

All which is respectfully submitted.

George S. White,
Chairman.

THE SENATE

Wednesday, January 24, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Capital budget of the National Harbours Board for the calendar year 1962, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C. 1952, together with copy of Order in Council P.C. 1962-24, dated January 9, 1962, approving same. (English text).

Report of the Department of National Revenue for the fiscal year ended March 31, 1961. (English and French texts).

Capital budget of Polymer Corporation Limited for the calendar year 1962, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C. 1952, together with copy of Order in Council P.C. 1962-22, dated January 9, 1962, approving same. (English text).

The following reports pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C. 1952:

(1) Ninth report by the Tariff Board, dated April 13, 1961, relative to the investigation ordered by the Minister of Finance respecting Batting and Wadding and Coated or Impregnated Fabrics—Reference No. 125 (Textiles), (English and French texts), together with a copy of the transcript of evidence presented at public hearings; and

(2) Tenth report by the Tariff Board, dated June 28, 1961, relative to the Investigation Ordered by the Minister of Finance respecting Hats, Caps and Related Products—Reference No. 125 (Textiles), (English and French texts), together with a copy of the transcript of evidence presented at public hearings.

Report of the Royal Commission on Transportation (W.A. MacPherson, Q.C., Chairman), Volume II, dated December 1961, together with a summary of the said report. (English and French texts).

DIVORCE

REPORT OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's first report:

1. Your committee recommend that they be granted leave to sit during adjournments of the Senate, and also during sittings of the Senate.

2. Your committee also recommend that they be granted authority to appoint as many subcommittees as deemed necessary for the purpose of considering such divorce matters as may be referred to them by the committee and to set the quorum thereof, the subcommittee in each case to report their findings to the committee.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Roebuck: Honourable senators, there is nothing new in this report. It is the one the standing committee presents each session, and there is no change from last session. With leave, I move that it be adopted now.

Report adopted.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

The Senate proceeded to consideration of His Excellency the Governor General's speech at the opening of the session.

(Translation):

Hon. Léon Méthot moved, seconded by Hon. Malcolm Hollett:

That the following Address be presented to His Excellency the Governor General to offer the humble thanks of this house to His Excellency for the gracious speech which he has been pleased to make to both Houses of Parliament, namely:

To His Excellency Major-General Georges P. Vanier, Companion of the Distinguished Service Order upon whom has been conferred the Military Cross and the Canadian Forces Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most dutiful and loyal subjects, the Senate of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

He said: Honourable senators, in rising to move the address in reply to the Speech from the Throne, and before discussing the motion

just read, may I point out two recent happenings which first of all constitute official recognition for the many services rendered by one of our most prominent colleagues, while at the same time enhancing the prestige of this honourable chamber.

(Text):

The Honourable Walter M. Aseltine, Leader of the Government in the Senate, has been appointed a member of the Queen's Privy Council for Canada. I am sure that all the members of this honourable house share my view when I say that this is a reward well deserved by him and an honour that reflects on the Senate.

Hon. Mr. Roebuck: It has been too long delayed.

Hon. Mr. Méthot: May I be permitted to offer to this honourable gentleman our most sincere congratulations and best wishes.

(Translation):

To begin with, may I express my personal satisfaction that those who direct the deliberations of this honourable chamber are in their accustomed places and in their usual good health and spirits—which I trust will remain with them throughout the session. I refer, of course, to our distinguished and affable Speaker, who continues to add lustre to the Senate whether he is presiding here or representing us beyond the walls of Parliament. I refer also to the Leader of the Opposition, whose kindness, competence and unfailing courtesy to all honourable senators have won him the admiration of all.

The Speech from the Throne announces first that Her Majesty the Queen Mother and Their Royal Highnesses the Duke of Edinburgh and the Princess Royal will come to Canada next summer.

We have all been very pleased to learn that we will be honoured with those three visits in 1962, especially in the case of the Queen Mother who earned the admiration and respect of the whole democratic world for the fine part she played during the difficult years that we experienced.

I am convinced that the Canadian people will show once again their undying affection for all members of the Royal Family.

On behalf of this honourable house, may I extend to them our heartiest welcome.

In listening to the Speech from the Throne, we were reminded that our Government deals constantly in a practical and active way with all problems regarding the present international situation.

Canada is playing an increasingly important part at the United Nations, within NATO and during the visits or meetings of high ranking officials from allied countries; we are rightly pleased by the role played by our Prime Minister and our Secretary of State for External Affairs.

Since peace is the foremost aim of our country, the Government's intention to support any international agreement concerning controlled disarmament, as expressed in the Speech from the Throne, will certainly bring joy to all Canadians.

Last September, my kind friend, the honourable Mr. Hugessen, and I had the honour of being chosen to represent the Senate at the conference of the British Commonwealth Parliamentary Association held in London. We were first given the opportunity of visiting all the major places in England, Scotland and Northern Ireland, and even in the Guernsey Islands. Everywhere, we were treated with the utmost courtesy and hospitality. Personally, I had the privilege of discovering for myself a country of astonishing beauty and splendour.

In Scotland, after we had visited the historical sites of Edinburgh, also its world-famous university, we were taken into that part of the country where Walter Scott and Robert Burns found their inspiration.

In London, our convention was officially opened by Her Majesty the Queen, and we witnessed a ceremony which we will never forget.

That conference at which all the Commonwealth countries were represented and expressed their views has made us aware of their views, of their fears about the international situation, of their needs and, at the same time, of their hopes.

We were given the opportunity to get a better idea of the close ties that link all those countries, their common desire to get along together not only economically but also from a military standpoint, in order to protect mankind against a war that, with modern inventions, could wipe out our civilization.

To all those who have had knowledge of the requests of the underdeveloped countries of Asia, Africa, and elsewhere, the continuation of our foreign aid program remains a necessity.

Personally, I sought impartial information on the European Economic Community and endeavoured to make at least some inquiries about the nature and the implications of that treaty signed in Rome on March 25, 1957 between Belgium, Germany, France, Italy, Luxembourg and the Netherlands.

In working out that Common Market, its members had set out as their purposes, and I quote:

(Text):

Article 3 says:

> For the purposes set out in the preceding Article, the activities of the Community shall include, under the conditions and with the timing provided for in this Treaty:
>
> (a) the elimination, as between Member States, of customs duties and of quantitative restrictions in regard to the importation and exportation of goods, as well as of all other measures with equivalent effect;
>
> (b) the establishment of a common customs tariff and a common commercial policy towards third countries;
>
> (c) the abolition, as between Member States, of the obstacles to the free movement of persons, services and capital;
>
> (d) the inauguration of a common agricultural policy;
>
> (e) the inauguration of a common transport policy;
>
> (f) the establishment of a system ensuring that competition shall not be distorted in the Common Market;
>
> (g) the application of procedures which shall make it possible to co-ordinate the economic policies of Member States and to remedy disequilibria in their balances of payments;
>
> (h) the approximation of their respective municipal law to the extent necessary for the functioning of the Common Market;
>
> (i) the creation of a European Social Fund in order to improve the possibilities of employment for workers and to contribute to the raising of their standard of living;
>
> (j) the establishment of a European Investment Bank intended to facilitate the economic expansion of the Community through the creation of new resources; and
>
> (k) the association of overseas countries and territories with the Community with a view to increasing trade and to pursuing jointly their effort towards economic and social development.

(Translation):

There is nothing surprising in the fact that one can hardly express a definite view on the matter, since the text only sets forth a broad outline of the treaty whose terms and restrictions have not been as yet all and fully applied.

That is why, at the news that Great Britain is negotiating terms which would allow her to become a member of that economic community, our Government may well be cautious in order to be able to safeguard the interest of Canada and of the Commonwealth.

In the course of the discussions which took place, one could readily realize that certain countries needed food and financial help, and I believe that our Government must be congratulated for having taken the initiative of suggesting a food supply program for the underdeveloped countries.

Those who are afraid of too heavy foreign capital infiltration in Canada, will no doubt welcome the measures which the Government plans to introduce to require reports to be submitted by business and labour organizations in order to know whether, and to what extent, there is foreign control or ownership.

For a long time now, criticism has been levelled at the Senate; the amending of legislation dealing with its jurisdiction has also been discussed. I do not know what legislation relating to the Senate will be brought forward by the Government, but I am confident that it will have the effect of taking away certain prejudices and that it will restore in the mind of all Canadians the real importance of this house which continues to guarantee the protection of provincial rights and of minorities all through the country.

Following the decennial census which has just been completed, certain changes will have to be made in the various electoral districts. The Government intends to take new steps concerning the redistribution of electoral districts, by creating an independent commission. This initiative should receive the spontaneous approval of both houses since many have long claimed that the redistribution of electoral ridings was done so as to suit political purposes. The new independent commission which the Government proposes to set up will surely contribute to give all voters a fair and equitable representation.

As the speech from His Excellency reminded us, the present Government has already enacted long term measures in order to boost the national economy, and it must be recognized that the benefits flowing from these measures are now very evident.

Indeed, as we read in the press release jointly published by the Dominion Bureau of Statistics and the Department of Labour on January 16, 1962, unemployment is on the downgrade and the number of workless in December has lessened by 115,000 compared with last year. As reported by the

same source, the percentage of unemployed has been lower than last year for the fifth month in succession. Obviously, there is still some work to be done. Unemployment is not a purely local plague. It is an evil which visits almost every nation. Our southern neighbours themselves have fallen victim to it and, at times, suffer from unemployment to a much higher degree than we do.

The stimulation given to municipal winter works has made it possible for our cities and towns to undertake programs which have considerably improved the situation, and the Government's intention to offer municipalities the means of increasing their winter work certainly deserves commendation on the part of everyone.

In the report of the Special Senate Committee on Manpower and Employment, of which I had the honour to be chairman, we read the following in the conclusions and recommendations, and I quote:

> In the field of domestic economy, we must mainly concentrate on secondary manufacturing industries and on those which need capital investments. It is essential that there be increased expansion in those two fields.

Further we read:

> Our secondary manufacturing industries must be encouraged to resort to the latest technical improvements, to apply the newest methods in proportion to their accelerated growth, and also to specialize in profitable fields and attain a production rate which will enable them to compete at home as well as abroad.
>
> That is the best way to maintain a high standard of living, to achieve a reasonable rate of growth and to rank with the giants of industry who surround us.

No doubt the Government wants to follow up those recommendations and urges us to encourage the Canadian industry to engage in research in scientific fields, through which it can improve and intensify its production.

Talking about production, may I say that although the economic activity increases throughout the whole world, Canada is in a privileged position. The pace of its economic expansion has considerably quickened during the calender year just ended. We all agree that industrial production has reached new records. An upsurge of activity in Canadian industries has brought about an increase in employment and revenues, the trade people have begun to build up their inventories; a great volume of mortgage funds has contributed to intensify the housing activity; our exports have risen more rapidly than our imports, resulting in a new improvement of our trade balance in commodities. Everything points out to a trade surplus for 1961 following the deficits of $97 million in 1960, $369 million in 1959 and $713 million in 1956; guaranteed bank loans for small enterprises, the expanded field of activity of the Industrial Development Bank have contributed to the betterment of trade in general, and certain measures mentioned in the Speech from the Throne will contribute to achieve greater progress and a greater stability in every field.

There is no question that our businessmen are now more confident and that there is every reason to foresee generally an increase in production and sales.

Personally, I need no other proof than the advertising by the industries of the St. Maurice river region and the considerable development which no one can fail to note in the city of Montreal. In fact, very recently, the president of one of our most important paper companies in the area, the St. Lawrence Paper Corporation, announced a $5 million extension to its Three Rivers plant. They so decided so that they could produce a new type of paper which would be used for important de luxe publications. The president of the Canadian International Paper informs us that this company will invest, in 1962, more than $13 million in its plants and forestry divisions. This figure includes a capital investment of more than $6 million in its six main pulp and paper plants, of which those of Three Rivers and La Tuque are the two most important. The Three Rivers harbour is increasing its operations from year to year. In Montreal, in the development of what is now known as Dorchester Boulevard, there are springing up, one after another, skyscrapers such as we have never seen in Canada, reflecting the confidence our banking institutions and industrialists have in Canada, particularly in its metropolis.

In the last few years, Montreal has made considerable progress and its population is spreading from day to day, both northward and on the south shore of the St. Lawrence, facing Montreal. New municipalities have sprung up, and each one of them is expanding from day to day. The Government, which is keeping constantly abreast of the economic situation of the whole population, has deemed it its duty to contribute to the progress of the south shore municipalities. In the Speech from the Throne, it is announcing that discussions

are under way with a view to abolishing tolls on Victoria and Jacques Cartier bridges. This means that the neighbouring municipalities, once the tolls are abolished, will be free from what they call the obstacle to their economic and industrial development.

Transport facilities were required in another section of our country where the development of our natural resources is expanding from day to day, thanks to one of our main industries, and which represents a source of supplies for business enterprises on the north shore of the St. Lawrence. So, our Government, which has already set up better sea transport facilities has now decided to provide this area with a railway line, which will have its importance. The Government deserves congratulations for taking an interest in the construction of a railway in the Gaspé peninsula, from Matane to Ste. Anne des Monts, a part of Canada where, as elsewhere, progress is on the march.

Another piece of legislation announced in the Speech from the Throne, and whose importance must not be overlooked, is the one which is designed to increase the total volume of export financing. As will be recalled, the Export Credit Insurance Corporation, in exchange for the payment of a proper premium, insures Canadian exporters' property and services, to protect them against defaulting foreign purchasers.

This corporation greatly helps our industries to create new jobs and to increase their production.

The number of insurance policies increases each year. Those policies cover a great variety of exports to approximately a hundred countries. At present, the corporation guarantees over one billion dollars and our government intends to grant additional funds to this body in order to further boost our economy.

I would be remiss if, before concluding, I did not mention the importance of the social security measure referred to in the Speech from the Throne, that is the increase of the universal old age pension payable under the Old Age Security Act and the Old Age Assistance Act. Those measures are further evidence that the Government has always been concerned with the welfare of our old people. Once again, the Government is carrying out the promises made by the Conservative party to the Canadian people at the time of the 1957 election. When the Government raised old age pensions in October 1957, the Minister of National Health and Welfare, the Honourable Mr. Monteith, introduced that legislation by saying that he was not suggesting that the increase granted provided a final or perfect solution, and he gave to understand that there would be another readjustment in the future. The Government is to be commended for its just and fair treatment of our senior citizens.

The Speech from the Throne further informs us that a new contributory old age pension plan will complement the existing legislation. This new plan is no doubt the result of the investigation carried out by the Government on the system in force in the United States, to set up in Canada, in addition to our present pension plan, a general and efficient contributory program of social security which would supplement existing services. All of us are anxious to know the contents of that bill which will give our people a greater degree of security.

Honourable senators, I have touched upon all the points I wanted to raise in moving the adoption of the address. A moment ago, I stated that a climate of confidence prevails in Canada at present, that even in the United States, our country is considered as the land of the future, that foreign investments in Canada are such that some of our fellow-citizens find them too heavy. However, if we wish to succeed we must remain united; guided by the loftiest ideals, we must work together; we must strive to promote national rather than private interests. I said that it is only by remaining true to our ideal, by having faith in the future and by trying to serve Canada well that each of us will be able to fulfil his own ambitions.

I do not know to what I owe the honour of being asked by the Leader of the Government in this house to move the address in reply to the Speech from the Throne, but I wish to thank him most sincerely and I am very grateful to the honourable senators for their kind attention.

(Text):

Honourable senators, last night I had the pleasure of being introduced to the newly-appointed senator from St. John's, Newfoundland, the Honourable Senator Malcolm Hollett. I wish to congratulate him upon his appointment and to assure him he is warmly welcome to our ranks. Honourable Mr. Hollett served in the provincial Legislature of Newfoundland from 1952 to 1959, and for the greater part of that period was Leader of the Opposition. In view of his vast experience, there is no doubt that his contributions to the deliberations of this house will be most valuable.

He has been a magistrate for over 25 years and, speaking personally as a lawyer,

I know that a magistrate is obliged to listen but he always has the last word. This will be the case today.

Hon. Malcolm Hollett: Honourable senators, I am indeed highly honoured this day: in the first place, because I have the privilege of speaking before such an assembly of distinguished Canadians; and, in the second place, because of the duty delegated to me, that of seconding the motion for an address in reply to the Speech from the Throne.

I wish at this time, honourable senators, to express to His Honour the Speaker and to every other honourable senator my deep gratitude for the warmth of your reception of me in this august chamber, and to pledge to you my loyal support of the time-honoured principles of this most important branch of Government, the chief of which principles I believe to be devotion to the public welfare, as applied to every area of this nation.

Honourable senators, I also wish to express my thanks to the Right Honourable the Prime Minister, if one may do so through this chamber, and to the Government for this great honour of being appointed to the Senate, an honour I regard as being conferred more on my friends and fellow-Newfoundlanders everywhere, irrespective of their political leanings.

I am deeply grateful to the honourable Leader of the Government in this chamber (Hon. Mr. Aseltine) for this privilege of seconding the motion, and I think I can assure him that all matters introduced by him in this chamber will receive my, shall I say, closest attention.

I should like to take this opportunity too, honourable senators—and I know you all join me in this—of congratulating Senator Aseltine on the honour recently conferred upon him in his appointment to the Privy Council, that select band of confidential councillors whose duty it is to aid and advise the Government of Canada.

To another member of the Privy Council, Senator W. Ross Macdonald, the honourable Leader of the Opposition in this chamber, who I know is always ready to offer his advice and counsel to the Prime Minister, I wish also to offer my thanks for the warmth of his reception.

Honourable senators, we of the tenth province came late into Confederation and as a consequence, like any twelve-year old, we are perhaps only now becoming fully cognizant of our attachment and our place in this nation—in this great family of ten.

For centuries after John Cabot landed on the shores of Newfoundland—and I trust my honourable friends from Nova Scotia will not take umbrage at that inference—our people, all of British and French descent, lived along the coast and fished for cod which they exported to England, Portugal, Spain, Italy and Greece, and latterly to the West Indies. Always a seafaring people, they faced privation and disaster with courage and with trust in Divine Providence.

Today, however, about one quarter of our population only depend upon the fish of the sea for their livelihood, and logging, the paper industry and mining for iron ore, lead, zinc and copper comprise the balance of our production, with agriculture, which was formerly a family sideline, being gradually on the increase.

Nearly all of Newfoundland's production is for export to various lands other than Canada. Most of our mineral production, our paper output and our harvest of the sea at present is shipped to the United States, the West Indies, the countries of the European Common Market, and to Spain, Portugal and Great Britain. Thus it is that our people of the tenth province pray that our central Government may not fail to make the correct moves relating to the negotiations that are now going on between the British Government and the European Economic Community and the United States of America.

Before we came into Confederation most of our imports came from countries other than Canada. Today our little province buys its needs to the extent of between $250 million and $300 million from mainland Canada. In our erstwhile fish markets abroad, competition from other countries—which have not hesitated to underwrite a large share of the cost of production by various means of subsidization—has been tremendous. On this account I wish to thank the Government for that statement in the Speech from the Throne.

> The maintenance of fair prices for farm and fishery products continues to be a matter of prime concern . . .

Honourable senators, we in Newfoundland must have sound marketing facilities for our fish, just as other sections of this great land require markets for their grain. All ways of life are subject to change, of course, but if our fisheries fail to produce a decent standard of living, honourable senators, then a way of life as ancient as history will disappear from our shores. The supply of fish of all kinds along our Canadian coastline is inexhaustible, and we must find a way for a fair proportion of our population to successfully exploit it in a manner to provide the producers with a decent living wage.

Mines of lead, zinc and iron ore are not inexhaustible, and year by year each individual mine becomes economically less profitable, and miners must perforce go to other areas. Even now in our own province we are faced more and more with this problem. One mine alone, supporting 14,000 people, has recently closed down for a period of seven weeks, and I do hope, honourable senators, that it is just for a period of seven weeks.

There is only one way to prevent the coastline of Newfoundland—and we have 6,000 miles of it—from becoming deserted, and that is to assist in the establishment of more modern methods of catching, curing and distributing to the markets of the world the products of the sea.

I am happy to see that the Government is becoming more active in endeavouring to tackle this problem, as greater assistance must come from some source to maintain the existence of our coastal fishermen and our sailors until such time as the growth in population across this nation provides a greater and more constant market for the products of the sea. If we are to become great as a nation, and I am sure we shall, then we must assist in the healthy development of one of our greatest natural resources.

You will forgive me, I am sure, honourable senators, for referring again to my native province, and your tenth liability. I say "liability" advisedly, for each of the provinces must be a liability when we consider this fact alone, that last year some $1,470 million was contributed by the federal Government to the revenues of the ten provinces. This, according to my reckoning—and I am not infallible—amounts to some $82 per head of our population, and, for our own information, I should like to point out that this figure of $82 per head of population last year compares with some $38 per head of the population in the fiscal year of 1956-57. In other words, in 1961-62 the federal Government's contributions to the provincial revenues were more than twice what they were in 1956-57.

I believe that the federal Government's contribution to Newfoundland's revenue last year amounted to nearly 60 per cent of the total revenue. That is why I said that we in Newfoundland are a liability—we are a liability like every other province, but we may be a little more so. Incidentally, the total contributions from the federal Government to Newfoundland—and this includes not only grants conditional and unconditional but also payments to individuals in the form of unemployment insurance, old age pensions, and so on—increased from $28 million in 1950, to $46 million in 1956, and from $55 million in 1957 to some $100 million in 1961. However, we shall not always be a liability, and in our opinion our natural resources, when properly developed, particularly in that mineral and timber rich area of Labrador, will make us one of Canada's greatest assets in an economic sense.

Our great paper-making industries at Grand Falls and Corner Brook have for many years comfortably supported a large percentage of our people. They are happy, industrious and patriotic. At Grand Falls alone in 1940 I personally helped to enlist for service overseas more than 1,000 men who left good jobs to fight gallantly for the preservation of that liberty which we now enjoy.

At this point I must express the great gratitude of all Newfoundlanders for the prompt aid sent by the federal Government last summer when fire threatened, and actually destroyed, large wooded areas in the centre of Newfoundland.

Our province contains 110,000 square miles in Labrador, a land which is rich in mineral deposits and timber. About three years ago I accompanied Premier Smallwood on a trip to this vast territory and, as we crisscrossed the area by low-flying plane, we were amazed at the extent of wealth in this wooded area of North America. What a heritage for Canadians! No doubt you are all aware of the great developments there during the past few years relative to mining and power production. In this connection I am happy to note in the Speech from the Throne that incentives are forthcoming to assist industry in scientific research as how best to develop these immense natural resources of electric power and mineral wealth. I am not so sure this refers to Labrador only; I suspect it refers to the natural resources of the whole of Canada.

Great pioneering companies like the Iron Ore Company of Canada and BRINCO and their associates—and I could mention others—are deserving of every encouragement possible from all levels of government.

The Speech from the Throne, which has been so ably discussed by the honourable senator from Shawinigan (Hon. Mr. Méthot), the mover of the address in reply, needs but little further reference from me. At this point I should like to thank the honourable senator from Shawinigan for the very kind references he made to my appointment to the Senate. Members of the Senate seem to have adopted the habit of making all new greenhorns like myself feel at home when they come into this chamber. I have talked to a good many honourable senators and they tell me that they went through the same experiences that I am going through now. I am thankful to say that

irrespective of which side of the house honourable senators are seated, they have made it very pleasant and comfortable for me as a newcomer, and I want to express my thanks to them for this.

The honourable senator from Shawinigan said something about a magistrate always having the last word. In a sense that is correct. Sometimes it is not a very comforting feeling to have to say the last word. Today I can speak of individuals, perhaps prime ministers of countries like Canada, who sometimes have the last word. As a matter of fact, such a last word will probably decide what date the voters will next have to go to the federal polls.

I am sure every honourable senator would join me in congratulating the authors of the 1962 Speech from the Throne. It is concise, one must admit, and clear and refers to almost every aspect of our social and economic life that touches the welfare of all Canadians. Many would-be prophets said we were sure to get a pre-election document—you know, that something-for-everybody sort of thing. Well, I am sure that the Throne Speech definitely did not give us even an approximate date for the coming election.

Increase in federal grants to universities: Was this not necessary? Help for drought-stricken areas: Who would deny the need? Increase in ceilings on federal loans to finance exports and measures to help to enlarge employment by stimulating economic activity: Will not these sound and sensible approaches assist our nation's growth? But, is it not strange how often even reliable newspapers and many citizens jump to conclusions? For instance, just one short eleven-word sentence in the Speech read:

> A measure relating to the Senate will be placed before you.

That is all that was said about this honourable body, and yet newspaper writers and radio commentators would have it that reform in the Senate was imminent. Who knows, the measure spoken of in the Speech may have reference to our indemnity and not at all to our demise.

There are two or three items in the Speech, apart from various social and welfare matters such as pension increases and the like, which are of particular interest to my province. I refer first to that item which has to do with a proposed amendment to the Civilian War Pensions and Allowances Act, to authorize payment of allowances under specified conditions to merchant seamen, fire-fighters, foresters and members of voluntary aid detachments who served overseas in either world war.

Personally, I know of many in Newfoundland who may come within this category, some 3,500 I believe, who served faithfully and well. All had enlisted and were prepared to go wherever their services were required. I know of one who was badly injured while in such service in the war of 1914-18, and yet until now he has not been able to get any recognition whatsoever from any government. I should like to express, on behalf of these 3,500 Newfoundlanders, our thanks for this measure.

Secondly, the institution of a car ferry service between North Sydney, Nova Scotia, and eastern Newfoundland is a most essential service and one which is welcomed not only by Newfoundlanders but by a host of Canadians all over this country. It should prove to be economically sound, especially in view of the fact that the Furness Warren line is, I understand, terminating its car ferry service to Nova Scotia. It is an important link in assisting travel and communications across the whole of Canada.

I believe right here is where I ought to refer to another very necessary and important link between Newfoundland and the other nine provinces. I call it the "missing link" in the Trans-Canada Highway, the completion of which highway is all important if we are to have one united Canada.

When Newfoundland came into Union there were between 500 and 600 miles of road to be built and paved according to Trans-Canada standards. Today, over 12 years later, there are still nearly 500 miles remaining to be paved and, in many instances, to be built, simply because our province could not afford its share of the cost. We do not beg for special privileges over and above other provinces, but I think you will agree that there are several special reasons for another look at the Trans-Canada Highway agreement as it applies to our province. It is possible, however, that this matter may be one of those envisaged by the Government in that paragraph in the Speech from the Throne which states:

> Further measures to stimulate economic activity and promote national development will be placed before you this session.

We hope that the completion of the Trans-Canada Highway in Newfoundland will be included in this particular measure. Who will deny that the Government's intention to broaden the scope of small business loans and farm and fishery loans is a "must" for a growing young nation facing the competitive world of today?

It was a sound and sensible Speech from the Throne, admirably delivered by Her Majesty's gallant representative, His Excellency, Major-General George Philias Vanier, D.S.O., M.C.

Honourable senators, without wanting to be accused of political thinking today I should like to quote one short passage from the Throne Speech which I am sure will bring aid and comfort to everybody in this chamber. It is this:

> Comprehensive measures to put into effect my Government's economic policies were enacted in preceding sessions of this Parliament. The benefits flowing from these policies are now evident in record levels of employment, of production, and of export trade. There has been a substantial improvement since last year in the unemployment situation. As the result of the efforts of my Government through its municipal winter works incentive program, notable progress has been made in meeting the recurrent problem of seasonal unemployment.

Then it goes on to say that better things are going to be done along the same lines this year, and I am sure that must give some of us, at any rate, some comfort.

Honourable senators, we all know what these measures were, and in case anyone should still doubt the truth of that paragraph referring to the progress made in the past year, I would refer you to recent statements and headlines appearing in the press and elsewhere. Here is one, for instance, by Mr. Meyer, the financial editor of the Montreal *Gazette*:

> For the first time in post-war history the economy was launched upon a period of growth without the usual accompaniment of price inflation.

Growth without inflation and a devaluation of the dollar, in Mr. Meyer's opinion, are the most significant developments in this latest stage of our evolution towards economic maturity.

The President of the Canadian Pacific Railway, Mr. Crump, feels convinced that the recovery in business conditions that became apparent in 1961 will continue during 1962.

Again, Mr. H. G. Hilton, Chairman of the Board of the Steel Company of Canada, says:

> The Canadian Steel Industry made great strides in 1961.

And he predicts an increase in production in 1962.

Here also are a few headlines from recent issues of the press. In the Annual Commercial Review and Forecast of the Montreal *Gazette*:

> Port tonnage sets the record in Montreal as her best year in history.
>
> 1961—Seaway season—good.
>
> Outlook for the shipyards for 1962—promising.
>
> Montreal Exchange—buoyant.
>
> Recovery gains—outlook good.
>
> Upsurge in car sales and hope ahead for textiles.
>
> Mineral exports hit a record.

One could go on quoting headlines from experts in our Canadian economy. I am proud to see them. Even if I were sitting on the other side of the house, I believe I would like to see headlines like that, because they refer to this great Canada we have inherited and for which we have worked hard to make prosperous.

Honourable senators, I believe that these comments and headlines will cheer us all, for you in the Senate are, indeed, partly responsible for this upsurge of prosperity. You were a part of the Government which initiated some of the monetary and industrial policies which, indeed, aided and abetted the upward march in our economy. True it is, so I am informed, that there are honourable members here who offered criticisms at the time, and, who will deny that criticisms are essential at all levels of government? But even today, I believe they would be inclined to agree that the Government, including of course this honourable chamber, did take the proper steps to help along that expansion of our economy which is so evident today.

Honourable senators, as a nation we are young; as a country we are vast, and the room for expansion is almost unlimited. We are blessed with an abundance of natural resources, and our land will become peopled, I believe, with the best from every part of the world. Our laws may always be amended to meet the changing conditions of our existence, but, always, if we are to become a great nation, and a free nation, our laws will be based upon personal freedom and justice for all.

Our continued liberty was won and made secure by sacrifice. Some of you fought and subdued tyranny in World War I, and your children gave all they had to make secure the freedoms of this land of ours in World War II.

Honourable senators, our system of democratic government was made secure by those who gave their all, down through the years, and you and I and all of us at each and every stage of government dare not break faith. We

may differ at times on how best to secure our heritage and to promote our nation's growth, but always we shall strive to the same end, the prosperity and happiness of our people and the unity and security of our land from the Atlantic to the Pacific.

Honourable senators, for this high honour conferred upon me today, I thank you. It is with pleasure that I beg leave to second the motion of the honourable senator from Shawinigan (Hon. Mr. Méthot) that we offer our humble thanks to His Excellency the Governor General of Canada for the gracious speech which was addressed to us on Thursday, January 18.

On motion of Hon. Mr. Macdonald (Brantford), debate adjourned.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the second report of the Committee of Selection, which was presented yesterday.

On motion of Hon. Mr. White, report adopted.

APPOINTMENT

Hon. Mr. Aseltine, with leave of the Senate, moved:

That the Senators mentioned in the second report of the Committee of Selection as having been chosen to serve on the several Standing Committees during the present session, be and they are hereby appointed to form part of and constitute the several committees with which their respective names appear in the said report, to inquire into and report upon such matters as may be referred to them from time to time, and that the Committee on Standing Orders be authorized to send for persons, papers and records whenever required; and also that the Committee on Internal Economy and Contingent Accounts have power, without special reference by the Senate, to consider any matter affecting the internal economy of the Senate, and such committee shall report the result of such consideration to the Senate for action.

Motion agreed to.

PRINTING OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Aseltine, with leave of the Senate, moved:

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that House that the Honourable Senators Barbour, Beaubien (Bedford), Blais, Bouffard, Bradley, Choquette, Comeau, Davies, Isnor, McGrand, Pearson, Reid, Savoie, Smith (Kamloops), Stambaugh, Thorvaldson, Turgeon and Wood have been appointed a committee to superintend the printing of the Senate during the present session and to act on behalf of the Senate as members of a Joint Committee of both houses on the subject of the Printing of Parliament.

Motion agreed to.

LIBRARY OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Aseltine, with leave of the Senate, moved:

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that Honourable Senators Aseltine, Cameron, Davies, Fergusson, Fournier, Gladstone, Gouin, Irvine, Lambert, Macdonald (Cape Breton), MacDonald, McDonald, Pouliot, Reid, Vien, Wall and Wilson have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both houses on the said Library.

Motion agreed to.

RESTAURANT OF PARLIAMENT

MESSAGE TO COMMONS—SENATE MEMBERS OF JOINT COMMITTEE

Hon. Mr. Aseltine, with leave of the Senate, moved:

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable the Speaker, the Honourable Senators Beaubien (Provencher), Fergusson, Hodges, McLean, Reid and White have been appointed a committee to direct the management of the Restaurant of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both houses on the said Restaurant.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, January 25, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Further Supplementary Estimates (2) for the fiscal year ending March 31, 1962.

He said: Honourable senators, if I am in order I would like to mention that I understand these further supplementary estimates are being dealt with in the other place tomorrow.

Hon. Mr. Farris: Do they show a surplus?

Hon. Mr. Aseltine: The bill will probably reach us early next week.

Honourable senators will receive a copy of this material today in their post office boxes. I am not asking that the Senate sit on Monday evening next, but I would like to proceed with these estimates as the first item of business on Tuesday next, if that can be agreed upon. In the meantime I would ask all honourable senators to study them carefully and be ready to make any remarks they may wish to make when the bill comes before us for consideration.

STANDING COMMITTEES

CHANGE IN MEMBERSHIP

Hon. George S. White, with leave of the Senate, moved:

That the name of the Honourable Senator Irvine be substituted for that of the Honourable Senator Quart on the lists of senators serving on the Standing Committee on Internal Economy and Contingent Accounts and the Standing Committee on Public Buildings and Grounds.

Motion agreed to.

ADJOURNMENT

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday next, January 30, 1962, at 3 o'clock in the afternoon.

Motion agreed to.

SIMULTANEOUS TRANSLATION SYSTEM

SUGGESTION FOR IMPROVEMENT

On the Orders of the Day:

Hon. Lionel Choquette: Honourable senators, before the Orders of the Day are called I would like to make a suggestion as to the simultaneous translation system in use in this chamber. No doubt it has been advantageous, but I think it has also become a disturbing factor. Yesterday when speeches were being delivered we could hear the voice of the interpreter in the chamber, which was quite disturbing and distracting. Those who are responsible for the installation of the system should be asked to look into this matter. It may be that the difficulty could be overcome by installing a larger earphone that would cover the ear, so as to prevent the escape of the voice of the translator, as happens with the apparatus we now have. Yesterday I know it was quite disturbing to hear throughout the chamber the voice of the interpreter immediately after each sentence was spoken. I think the system can be improved.

The Hon. the Speaker: I believe the main difficulty is caused by honourable senators who use the earphones with the volume turned up too high. That was the case yesterday during the speech delivered by the honourable senator from Shawinigan (Hon. Mr. Méthot). I made an experiment with my own earphone and found that when the volume was turned low I could still hear very well, and the voice of the interpreter was not projected any distance from the earphone. Before we start suggesting changes in the equipment I think honourable senators should tune down their earphones, otherwise they become broadcasting stations. We should experiment further along this line, and we may be able to correct the difficulty without calling in the Bell Telephone Company. The honourable senator from North York (Hon. Mr. Sullivan) may have something to say on this matter. He is a specialist.

Hon. Joseph A. Sullivan: Honourable senators, with all due respect to His Honour the Speaker, I think this difficulty can be very easily remedied by providing a small malleable earpiece that could be plugged right into the receiver. It is the extraneous noises around that interfere with the reception of sound, and most of the sound is being diffused throughout the chamber instead of into the ear canal. A small artificial mold that would push into the button would remedy the problem very easily.

Hon. Norman McL. Paterson: Since I was one of the offenders yesterday, I apologize. I did not know that the sound was getting

out. However, the boy came and made an adjustment, and when the volume was turned down I could still hear quite clearly.

The Hon. the Speaker: That was my impression.

Hon. Mr. Paterson: I am sorry if I disturbed anyone.

The Hon. the Speaker: You were not the only offender yesterday.

DIVORCE

MEETING OF COMMITTEE

Hon. Arthur W. Roebuck: Honourable senators, I have just been served with a notice that the Senate Standing Committee on Divorce will meet on Monday next, January 29, at 10.15 a.m., and the honourable Leader of the Government (Hon. Mr. Aseltine) has moved the adjournment of the Senate until Tuesday evening.

Hon. Mr. Aseltine: Tuesday afternoon.

Hon. Mr. Roebuck: Tuesday afternoon. That motion does not, of course, mean that the divorce committee will not meet on Monday next. Let me, therefore, call to the attention of the members of the divorce committee, and to the house, that the members of the divorce committee are not released from the meeting on Monday. We on the divorce committee usually serve two days a week more than those senators who are not on that committee.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. W. Ross Macdonald: Honourable senators, when Parliament prorogued on September 29 last, we little thought that we would not reassemble until January 18. The last session of Parliament was one of the longest, if not the longest, in our history, and without doubt the recess we enjoyed was one of the longest in recent years. However, I am sure that the members of both houses would have benefited much more from this interval if they had had some assurance that Parliament was not going to reassemble in the fall. On the contrary, the members of both houses expected to be recalled; in fact, some members had moved their families to Ottawa or had stayed here in anticipation of a fall session. All this needless uncertainty could have been avoided if the Prime Minister had not waited until almost the middle of December to inform us that Parliament was not going to reassemble until January 18. Had he so informed us, he would have rendered a service not only to the country but also to the members who have been kept in a state of uncertainty.

For some reason or other the Prime Minister seems to think it is in the country's interest to keep it in a continuous state of uncertainty, to keep the country in an atmosphere of mystery. I am not going into detail about the aura of mystery and about the great events that were to take place at the December 8 meeting in the city of Quebec where, during the Christmas and New Year's holiday season, he summoned the Cabinet from their homes all across Canada and called the newspapermen from their family gatherings—

Hon. Mr. Brunt: He called?

Hon. Mr. Macdonald (Brantford): Well, they were notified about it and I think he would have been disappointed if they had not gone—to hear what was to be one of the most important domestic political announcements since this Government took office—it was to be a dramatic and historic event. But, honourable senators, it made little history and whatever drama there was to it took place behind the scenes. One thing, however, did come out of that meeting, and for all the members of the Senate, I am sure, it overshadowed any let-down we had after expecting a major shift in portfolios.

The event to which I refer is the summoning of our distinguished and well-beloved Leader of the Government (Hon. Mr. Aseltine) to Her Majesty's Privy Council. For four years Senator Aseltine had carried on the arduous duties of his very responsible office in a manner which could not have been otherwise than pleasing to the Government and certainly in a manner which has brought credit not only to himself but also to this honourable chamber. I cannot say how happy I am to congratulate him upon his advancement and I know that all members of the Senate share with me this feeling of joy.

Yesterday we listened to two very interesting speeches by the mover and seconder of the address in reply to the Speech from the Throne. I am sure we all agree that they were of the high standard which has been established in this chamber over the years.

(Translation):

The honourable senator from Shawinigan (Hon. Mr. Méthot), with his usual eloquence, pointed out several accomplishments of the present administration, and even though we may disagree in part with what he said, we do it somewhat reluctantly because of the kind words he had for us.

I wish to thank him for his complimentary remarks about me, and I can assure him that had I had the privilege of speaking first, I would have expressed similar sentiments about him.

I wish to welcome our distinguished Speaker who seems to be in the best of health, and I wish to offer him my most sincere congratulations on his recent appointment as chairman of the Board of Governors of the National Theatre School of Canada. It may be that under his guidance, the debates of this chamber will become more dramatic.

(Text):

The Honourable Senator Hollett, our new associate—and I like to think of all the members of this house as associates—we welcome here as a cultured and scholarly gentleman, and as a man with considerable legislative experience. Having sat as Leader of the Opposition in the Newfoundland Legislature he will not at once feel entirely at home on the Government side of this chamber, but whether his stay there is long or short I can assure him that eventually he will find no difficulty in feeling perfectly comfortable on the Opposition benches in this chamber.

He referred to all the provinces of Canada as liabilities. Let me assure him that we do not, even in the manner suggested by him, think of them as liabilities, and certainly not his great province of Newfoundland. It is, indeed, an integral part of our nation, and when it joined Confederation it added much to the strength of our beloved Canada.

The Honourable Senator Hollett spoke in very complimentary terms about myself and referred to the fact that I had from time to time given certain advice to the Government. I can only say that we on this side of the house have had no criticism to make of the Government in so far as the advice which has been given from this side of the house is concerned, because frequently the Government has taken notice of what we have said.

This afternoon honourable senators, it is not my intention to give any advice to the Government—in fact, I would not presume to do so—but I trust you will permit me to bring certain pertinent facts to the attention of the Government which they, in any event, should appreciate receiving.

I am not going to speculate on what is involved in the twenty-one items of legislation mentioned in the Speech from the Throne. It is indeed heartwarming to gather from the tenor of the speech that the Government has high hopes for the economic well-being of our country. I trust that its hopes and aspirations will be realized, and there is no reason why they should not be, but it seems to me that the Government is going the wrong way about accomplishing this by refusing to face up to the actual conditions which exist in this country at the present time. It is of no help to delude ourselves into believing that all is well when all is not well. Nor do we solve any problems by branding as "doomsters" and "gloomsters" those who are interested enough in our well-being to ferret out the facts and to place them squarely before the Government and the public for their consideration.

I shall mention a few facts and give a few figures which make it abundantly clear and which will convince even the most partisan that there is much substance in the contention that our economy is not as sound and as robust as we would like it to be.

However, I would not have you believe that I am a pessimist. On the contrary, I am an optimist. I believe that given the right direction, there are great things in store for Canada. I am quite sure that our present faltering economy will move forward with its old-time vigour in the not-too-distant future, provided we face up to the facts and then endeavour to bring in legislative measures which will make it possible for our ills to be cured. By no means can the Government do it all, but it is essential to adopt a sound fiscal policy and to present to Parliament those measures which will create in our people the necessary confidence, with a resulting increase in the production of those things which go to make up both our domestic and foreign trade.

We talk about our booming economy, but how can our economy be said to be booming when the percentage of our people who are unemployed is the greatest of any comparable country in the world?

During recent months the Prime Minister has been making statements to the effect that Canada has less unemployment than the United States. With respect to one month only, namely August, that may be right, but as the Toronto *Daily Star* has pointed out in a recent editorial:

> The Prime Minister has at his disposal unemployment statistics for the two countries which eliminate the seasonal factor and show basic trends. These are the seasonally adjusted figures, issued monthly by the Dominion Bureau of Statistics at Ottawa, and the Labor department in Washington.

Honourable senators, I have the average figures for both countries, taken from our Bureau of Statistics and from the publication *Economic Indicators,* an official publication of the United States Printing Office. I would ask to be allowed to put these figures on the record.

CANADA-U.S.A. COMPARISON OF UNEMPLOYMENT RATIOS

Year	Canada	U.S.A.	Difference
1958	7.1	6.8	.3
1959	6.0	5.5	.5
1960	7.0	5.6	1.4
1961	7.2	6.7	.5
Average	6.8	6.1	.7

The foregoing figures show that for 1961 our average rate of unemployment was 7.2 per cent while that of the United States was 6.7 per cent, and over the whole period from 1958 to 1961 our average rate was 6.8 per cent, while that of the United States was 6.1 per cent.

But, in any event, honourable senators, is it a source of any satisfaction to us to compare our unemployment figures with the very high ones of the United States? Why not compare them with those of the United Kingdom, West Germany and the other Common Market countries where, as you know, there is little or no unemployment?

Let me make it abundantly clear, honourable senators, that I am not one of those who claim that the Government must at all times find a job for every individual in the country, but I do say that the Government can, by its economic and fiscal policies and actions, create the climate and establish the confidence essential for national growth and development which, in turn, bring about high employment.

I am spending considerable time on the subject of unemployment because I am convinced that it remains the number one problem in Canada. Surely, there is nothing so degrading and harmful to an able-bodied man's moral, physical and spiritual well-being as being out of work when he is anxious and willing to work?

According to statistics there are 115,000 fewer people unemployed today than there were at this time a year ago. But, is that a true picture? Are we not endeavouring, as someone has said, to sugar-coat the unemployment figures? Have we, as the Government in its Speech from the Throne would have us believe, enlarged employment by measures which have stimulated economic activity? Judged by that standard, the number of unemployed today is little changed from what it was a year ago. It is correct that due to all causes there are 115,000 fewer unemployed than there were a year ago, but if we look at those figures realistically and seek the correct figures in the light of our economic activity, we must deduct, I think you will agree with me, the 25,000 who are now taking the six weeks' survival training course and who, for that reason, are included amongst the employed. Surely, no one would contend that their employment has resulted from any measures which have stimulated economic activity. Should we not also deduct the 12,000 who are taking vocational training courses at Government expense and who hope to find jobs on the completion of their courses? At the present time they are included among the employed. Does anyone seriously suggest that they should be so included?

Is it not also fair to deduct the 15,000 who have been added to our armed forces? They are employed, and well employed, but I am at this time discussing employment in relation to stimulated economic activity. We should also deduct that very substantial number, the exactness of which I have been unable to ascertain, which has been added to the provincial payroll to gather the pennies, nickels and dimes which make up a small percentage of the Ontario sales tax.

However, if the figures that I have quoted are added together it will be seen that they amount to 52,000. When this number is deducted from 115,000 it leaves 63,000 which is the true reduction in the number of unemployed in relation to economic productivity. So, let us not talk about a reduction of 115,000; let us talk about a reduction of 63,000.

Honourable senators, I would like to make a few observations with respect to our trade. We take great satisfaction in the high level of Canada's overall trade. The amount of our trade in dollars was never greater, but that is not the whole story and we should not deceive ourselves into believing that all is well merely because we are dealing in increased dollar amounts.

The fact is that although our exports have increased by approximately 70 per cent in dollar value over the last ten years, there has actually been a shrinkage of approximately 20 per cent in relation to our Gross National Product. This in itself is far from reassuring, especially when we pride ourselves as being a great world trader in a rapidly expanding world economy. But, just where do we stand as a world trader? Are we holding our position? Indeed, we are not. If anything should shake us out of our complacency it should be the fact, the very disagreeable and disturbing fact, that Canada has, since the present administration came into office, slipped from fourth position amongst the trading nations to the fifth position.

No one can deny that that trend, if not reversed, will result in economic disaster. But, here again, let me say that notwithstanding this dropping off in trade I am not one of those who think that Canada is going

to the dogs. As I said, I am not a pessimist; I am an optimist, and I am sure that no great decline will continue, provided the Government faces up to the facts and takes bold and constructive measures, which for some reason or other it hesitates to do, in the interests of the long term well-being of our country.

Just what is Canada's position as a world trader? We like to think that we are trading on a multilateral basis, but if we examine the statistics we will find that we are trading with comparatively few countries, and that Canada is paying only lip service, as the *Globe and Mail* has said, to the principle of multilateral trade. We have, in effect, put most of our trading eggs in one three-compartment basket.

In 1960, the latest full year for which figures are available, of all our export trade over four-fifths was with the United States, the United Kingdom and the Common Market countries. The United States is by far our best customer. We did 55.7 per cent of our total trade with her. By the way, the 15 per cent of our imports which the Prime Minister was going to divert from the United States to the United Kingdom has, of course, not been diverted. Any change in our imports from either the United States or the United Kingdom has been insignificant, and apparently the Prime Minister has written off that promise as a lost cause.

But, let me get back to Canada's so-called multilateral trading policy. The United States as I have said, has 55.7 per cent of our trade, the United Kingdom has 17.4 per cent, and the Common Market countries 8.3 per cent. This amounts in all to 81.4 per cent, leaving only 18.6 per cent of our total export trade to be distributed amongst our other 22 trading partners.

I am, of course, referring to export trade, and I point this out to emphasize that our well-being in so far as our trade is concerned is tied up with the United States and the Common Market, including the United Kingdom, and when these countries enter into a new trading pact, the negotiations for which are rapidly being concluded, Canada just cannot remain on the outside. The United States is putting forth every effort to make satisfactory trading arrangements with this enlarged Common Market. Canada cannot afford to dissociate itself from the United States in this effort. This is indeed a great challenge for Canada, and there is no excuse for our not being prepared to meet it.

Indeed, it can never be said that the Government was not warned of the changing trend which is about to take place in international trade, especially as it concerns Europe. In this very house the Honourable Wishart Robertson, supported by a number of other senators, introduced a resolution bringing what was taking place in Europe forcibly to the attention of the Government. Aggressive action on the part of the Government should have been taken at that time, but the Government sat idly by with a self-satisfied feeling that all was well when it should have known that all was far from well. It may be that even now it is not too late, and it is reassuring to know, although belatedly, that the Government is at long last taking some steps towards retaining for us our market with the United States and with the proposed enlarged Common Market with which over the past years we have been doing 81.4 per cent of our trade.

Honourable senators, perhaps I can restate my points in four short sentences:

1. As everyone realizes, export trade is vital to Canada's well-being.

2. Our trading position today is seriously threatened, and in the future will be more seriously threatened, by the emergence of new patterns.

3. Our employment position and the maintenance of a satisfactory rate of employment are inseparable from our strength or weakness as a trading nation.

4. Therefore, we must keep our export trade high and our traditional markets solid, and at the same time emphasize our search for new markets if employment is to be available for the thousands who are yearly being added to the labour force.

According to the Honourable William Nickle, Minister of Commerce and Development for the province of Ontario, 60,000 new job opportunities must be developed yearly in Ontario alone for at least the next ten-year period. Dr. John J. Deutsch, Vice-Principal of Queen's University, who is recognized as one of Canada's most eminent economists, has said that one million more jobs will be needed in Canada by 1965, which means that each year for the next three years there must be created in Canada over 300,000 jobs if we are to maintain even our present rate of employment. The fulfilment of that requirement is, indeed, a staggering undertaking, and sometimes I wonder if the Government is aware of its seriousness.

But, honourable senators, my object today is not to blame the Government for its many shortcomings, but rather to assist it in finding a solution for the many difficult problems which confront it. An increase in our export trade is essential, but it must be admitted that many of our exports are not dependent on a large number of employees. I have before me a table which lists our

leading domestic exports in 1960, and I ask to be allowed to put it on *Hansard*.

Some Hon. Senators: Agreed.

LEADING DOMESTIC EXPORTS 1960

Note:—Commodities are arranged in order of value in 1960.

Commodity	1960 $ '000
Newsprint paper	757,930
Wheat	410,453
Lumber and timber	346,300
Wood pulp	325,122
Aluminum, primary and semi-fabricated	268,154
Uranium ores and concentrates	263,541
Nickel, primary and semi-fabricated	258,331
Copper, primary and semi-fabricated	211,431
Iron ore	155,412
Asbestos, unmanufactured	120,113
Synthetic rubber and plastics materials not shaped	109,139
Petroleum, crude and partly refined	94,450
Farm implements and machinery (except tractors and parts)	81,279
Whisky	79,220
Rolling mill products (iron and steel	73,979
Fish, fresh and frozen	68,833
Machinery (non-farm) and parts	67,074
Zinc, primary and semi-fabricated	65,534
Wheat flour	62,239
Pigs, ingots, blooms and billets (iron and steel)	53,349
Fertilizers, chemical	52,348
Barley	51,441
Engines and boilers	47,664
Flaxseed (chiefly for crushing)	47,283
Electrical apparatus, n.o.p.	47,282
Plywoods and veneers	32,717
Abrasives, artificial, crude	31,736
Pulpwood	31,186
Cattle, chiefly for beef	26,573
Lead, primary and semi-fabricated	26,043
Tobacco, unmanufactured	25,327
Automobiles, passenger	24,261
Automobile parts (except engines)	23,818
Molluscs and crustaceans	23,268
Fur skins, undressed	23,161
Fish, cured	22,153
Shingles	20,968
Aircraft and parts (except engines)	20,745
Silver, unmanufactured	19,571
Gas exported by pipeline	18,051

The house of this material is *Canada Year Book* 1961, page 983.

Hon. Mr. Macdonald (Brantford): It will be found from a perusal of the above table that the export commodity with the greatest dollar value, namely $757,930,000, is newsprint. The next item is wheat, which amounted to $410,453,000. Then follows lumber and timber, $346,300,000, and wood pulp, $325,122,000. Then follows uranium, nickel, copper, iron ore, asbestos, synthetic rubber and petroleum. You will notice from the above, with the possible exception of synthetic rubber, not one of the items that I have mentioned is a wholly-manufactured product and that greatly increased production of the above-mentioned articles can be brought about by a comparatively small increase in the number of required employees. Let us take wheat, for example. With the modern implements of cultivation, sowing, harvesting and threshing, and so-called automation and other forms of technological progress, the number of men actually required to produce greatly increased quantities of wheat has been largely reduced. This applies to practically all farm products.

From the table which I have put on the record it is evident that it is in our industries that we must look for increased employment. Our total exports in 1960 amounted to $5,264,052,000 and of that total the largest item of manufactured exports was farm implements and machinery which amounted to $81,279,999, whereas in that year we exported $410,453,000 worth of wheat alone. An examination of the table which I have placed on record proves conclusively that the bulk of our exports consists of newsprint, wheat, lumber, pulp, aluminum, uranium, nickel copper and iron. Manufactured articles make up an insignificant portion of our total exports, and it is principally to industry that we must look for job opportunities of the future. It is therefore obvious that more consideration must be given to making the products of our secondary industries competitive in the markets of the world with similar products from other countries. It is also obvious that this cannot be done by increased tariffs. Such a method would do nothing more than increase the cost and make it more difficult than ever to sell our manufactured products in the markets of the world.

It is not for me to find the solution, but if we are to provide one million new jobs by 1965, either industry or the Government, or industry and the Government together, must grapple seriously and immediately with this

deep-rooted problem which threatens to strangle our economic growth. A solution, I am confident, can be found. In fact, it must be found if Canada is not to continue to slide further down the ladder as a great world exporter.

Honourable senators, apart from our deteriorating position as a world trader and apart from what is rapidly becoming a chronic unemployment condition in our country, there is one more problem which is of deep concern to our generation, and will also be a problem for the generations of Canadians yet unborn. I shall refer to it very briefly and then I shall not delay you longer. I refer to the sad state of our finances.

From the close of the war until the former administration went out of office in 1957, we had reduced our national debt, with corresponding annual reductions in interst charges, by $2 billion. Since 1957, that is during the four years that the present administration has been in office, we have increased our debt by $2 billion. All the money which the former administration saved by its sound financial and fiscal policies has been spent by this administration in four years, and there is no end in sight to the annual spending of hundreds and hundreds of millions of dollars more than we can hope to raise. The fact is, and this is a conservative estimate, that we are going into debt at the rate of $500 million a year; that is, to put it in other words, at the rate of half a billion dollars each year. That ever-increasing indebtedness is the inheritance which we are leaving to our children and to our children's children. We like to think that we will be remembered by those who come after us. We can be assured that we shall be remembered by many generations yet unborn!

But this ever-increasing indebtedness which I have mentioned does not tell the whole story. During the last year the printing presses have not been idle. They have been going night and day to keep up with the Government's demand for more money. To be exact, from November 1960 to November 1961 our money supply increased from $13,717,000,000 to $14,677,000,000. That is to say, with the assistance of the printing presses we have approximately $1 billion more in circulation today than we had a year ago; and even with the extra money our national debt is at its highest level, and with the expenditures contemplated in the Speech from the Throne there seems to be no limit in sight to our ever-mounting national debt.

I will not say more. I have endeavoured to bring to the attention of the Government the true figures as to the number of our unemployed, our precarious position as a world trader, our challenge with respect to the hundreds of thousands of jobs which must be provided in the next four years, and to our staggering and ever-mounting national debt. I have endeavoured not to be overly critical. I realize the magnitude of the problems which call for solution. I realize that it will be no easy task, and so far as I am concerned—and I am sure I speak for all honourable senators—I will be happy to associate myself with the honourable Leader of the Government (Hon. Mr. Aseltine) in putting into effect those measures which we feel are in the interest of the general well-being of our beloved Canada.

On motion of Hon. Mr. Aseltine, debate adjourned.

The Senate adjourned until Tuesday, January 30, at 3 p.m.

THE SENATE

Tuesday, January 30, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of the Department of Fisheries for the year ended December 31, 1960, and the financial statements of the department for the fiscal year ended March 31, 1961, pursuant to section 8 of the Department of Fisheries Act, chapter 69, R.S.C. 1952. (English text).

Report on the Operations of the Municipal Improvements Assistance Act for the year ended December 31, 1961, pursuant to section 11 of the said act, chapter 183, R.S.C. 1952. (English text).

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, January 25, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. Walter M. Aseltine: Honourable senators, here we are once more at the beginning of a new session, one which many people say will likely be the last before the next general election.

Hon. Mr. Macdonald (Brantford): You may speak for yourself.

Hon. Mr. Aseltine: First of all, I desire to extend my sincere greetings to all honourable senators on both sides of the chamber, to the honourable Leader of the Opposition (Hon. Mr. Macdonald), and, of course, to His Honour our distinguished and affable Speaker. I wish each and every one of you good health, happiness and prosperity. May all your worries be for naught, and may 1962 be the best year ever.

Hon. Mr. Crerar: Any chance of an increase in the indemnity?

Hon. Mr. Aseltine: We shall have quite a heavy program of legislation to deal with, and I feel that all honourable senators are anxious to get down to work and dispose of it with your usual dispatch and good will. As in the past, I shall attempt to have as much Government legislation introduced first in the Senate as is possible under the circumstances.

If honourable senators have been following the proceedings in the other place, they will have noticed that there are nineteen items of legislation already on the Order Paper. Since practically all of these are money bills or money measures, I doubt very much if any of them could have been introduced in the Senate first. However, as I have said, I will endeavour to obtain as much legislation as possible.

Before proceeding with my remarks I wish to sincerely thank the mover (Hon. Mr. Méthot) and the seconder (Hon. Mr. Hollett) of the address in reply to the Speech from the Throne, as well as the Leader of the Opposition (Hon. Mr. Macdonald), and the many other honourable senators and friends, who have so flatteringly congratulated me on my recent appointment as one of Her Majesty's Canadian Privy Councillors. It is a great honour which has been conferred upon me, and I wish all to know how highly I appreciate their very kind congratulations and good wishes.

Secondly, I would like to add a few words about the honourable gentleman who has recently been summoned here and sworn in as a senator. I refer to the Honourable Malcolm Hollett, B.A., M.A., (Oxon), of St. John's, Newfoundland. Before coming to this chamber he had a most distinguished career, having in 1915 won a Rhodes Scholarship. As you all know, on this side of the chamber we have another Rhodes Scholar from Newfoundland, in the person of the Honourable John Higgins. Senator Hollett enlisted in the Royal Newfoundland Regiment, served overseas, was wounded and spent two years in hospital in convalescence. He then attended Oxford University, where he received his two degrees and a diploma in economics. He is a mathematician. If he starts to quote figures, we shall have to listen very carefully because in all likelihood they will be correct. It has already been stated that Senator Hollett was a magistrate for a great number of years and that he was engaged in newspaper work. He was also Leader of the Opposition in the Newfoundland Legislature representing St. John's West. I compliment him on the very fine address he delivered when he seconded the motion for the adoption of an address in reply to the Speech from the Throne. I feel sure that he will take a prominent part in the work of the Senate and will be a most valuable acquisition.

Honourable senators, I wish at the same time to congratulate the mover of the address

in reply to the Speech from the Throne, the honourable senator from Shawinigan, (Hon. Mr. Méthot). He seconded the motion for an address in 1957 and now has had the additional honour of moving one. We also remember him as having been the capable chairman of the Special Committee of the Senate on Manpower and Employment.

The Senate has been most admirably represented at the United Nations during the past year. The honourable senator from Royal (Hon. Mr. Brooks), has been acting as vice-chairman of the Canadian delegation and is chairman of the delegation when the Honourable Howard Green is not in attendance, as at the present time. Honourable Senators Kinley, Burchill and Pouliot have also attended the meetings and have given their services. The Honourable Mr. Green has told me how much he appreciated the valuable assistance our Senate representatives have afforded him and how proud he was of them in the discharge of the difficult work required to be performed in New York.

At this point, honourable senators, I would like to say a word about the situation that prevails in the Prairie provinces. You will remember that in 1961 the most severe drought since 1937 hit the provinces of Manitoba, Saskatchewan and Alberta which, of course, are the great grain-growing areas of Canada. The greater part of that extensive area had no snowfall in the winter of 1960-61 and in many parts no rain has fallen for over a year. Lack of moisture resulted in the abandonment of 2.5 million acres of seeded wheat to grazing, cutting for feed, or plowing under. As a result Saskatchewan produced only 125 million bushels of wheat compared to 308 million bushels in 1959-60. On account of the feed shortage 350,000 feeder cattle were shipped to the United States, compared with 155,000 a year earlier. This was a great loss to Canada, and it will be severely felt by the farmers in those provinces in 1962. I shall have more to say about this, honourable senators, when I deal with the supplementary estimates, which we thought might reach us by this time but which are still being considered in the other place.

Before continuing with the main subject of my speech this afternoon, I wish to deal briefly with some of the points raised by the honourable Leader of the Opposition (Hon. Mr. Macdonald). His speech on Thursday, in English, and most commendable French, was notable both for its temperate good humour and many statistics. It is sometimes said that anything can be proved by statistics, but I am afraid that my honourable friend fell far short of establishing the points he had in mind, even with the help and assistance of the statistics which he quoted.

He spoke, first of all, of unemployment and contended that our level of unemployment was hardly compatible with healthy economic growth.

Hon. Mr. Roebuck: Was he not right?

Hon. Mr. Aseltine: He attempted to depreciate the importance of the December drop in unemployment of 115,000 as compared to the year before by subtracting various figures. I do not intend to become involved in the "numbers game" played by the honourable Leader of the Opposition. If some of the measures taken by the present Government, whether related or not to economic growth, have had the effect of lowering unemployment, I think that one should give the Government full credit for them rather than attempt to belittle them.

Honourable senators will recall some of the conclusions reached by the Special Committee of the Senate on Manpower and Employment. That committee's report, hailed by knowledgeable people throughout the land, drew attention to various factors which would contribute to reasonably full employment. One factor was a satisfactory rate of economic growth, and the efforts made by the Government in this direction are now beginning to bear fruit. Informed opinion now predicts a growth in the Gross National Product for 1962 of about 7 per cent. This will come about as a result of the progressive fiscal, monetary and other policies of the present Government.

However, the Senate committee placed great emphasis on another aspect of the problem. In a rapidly changing and highly technical economy, our people must be fitted to take their place. This requires an ever better trained, better educated, and better informed labour force. In co-operation with provincial Governments the federal Government is doing a great deal to provide, and to encourage the use of, facilities designed to prepare young people and unemployed persons to take a productive place in society. Many have hastened to take advantage of these facilities, but too many others are still sitting back waiting for some "change" to solve their problems for them. Technical training courses are by no means overcrowded. Still too many children are leaving school far too early to find a satisfactory place in the labour force. Even a boom will not provide jobs for people who have not the skills to satisfy the requirements created by that boom. Good work has been done in getting the message across both by Government agencies and by individuals, including His Excellency the Governor General. This effort must be continued. Under present conditions we depend more than ever on the initiative, knowledge,

and hard work of the individual. Governments can advise, encourage and assist, but under our system they cannot compel.

The honourable the Leader of the Opposition (Hon. Mr. Macdonald), when speaking of our improved export position, found it, I believe his words were, "disagreeable and disturbing" that since the change of Government Canada had gone from the fourth to the fifth place among the trading nations of the world. This may be a matter of regret, but not of any greater regret than when Canada slipped from third to fourth place under the previous administration.

A nation's standing as a trading nation is determined by adding together its exports and its imports. Some countries of the world which are more self-contained and self-sufficient than others can maintain a very high standard of living while importing comparatively little and exporting little. As such they do not rank very high among the trading nations, but that fact provokes no comment on their economic health.

Canada is of course a great world trader and we must import and export a great deal. However, what is most important to a country such as Canada, with a high content of foreign investment and heavy expenditures abroad for travel and other services, is the relation of her exports to imports. As you all know, it is indicated that this last year saw our first surplus of merchandise trade exports over imports since 1952. This Government is determined to encourage this favourable trend, and my later remarks will deal with the many things that are being done in this respect.

The honourable Leader of the Opposition (Hon. Mr. Macdonald) regrets that while exports have grown in the last decade they have not grown as quickly as the Gross National Product. This may be so, but it hardly provides a ground for argument. A host of factors, both domestic and foreign, contribute to determine the growth of the Gross National Product, and another host of factors determine the level of our export trade. Some of these, but by no means all, are common to both situations. The Gross National Product undoubtedly has an effect on exports, and vice versa, but there is no reason to expect an intimate relationship between the two. What is germane is that governments do everything possible within reason under the prevailing circumstances to improve both, and in this regard the present administration has an impressive record as compared to that of the previous Government.

I was rather amused when the honourable Leader of the Opposition referred to the busyness of the printing presses in relation to money supply. One of the functions of Government, of course, is to regulate the money supply, and it is common knowledge that if the supply of money becomes too great in relation to goods and services available, inflation results and, if it is too small, we have deflation. I should have thought that this question is one which the honourable Leader of the Opposition would approach with extreme caution. If the money supply is being increased too quickly by this Government then inflation will surely result.

But, what is the record? The following table sets out the rise in the annual consumer price index between the years 1955 and 1961.

Years	Rise in points
1955-1956	1.7
1956-1957	3.8
1957-1958	3.2
1958-1959	1.4
1959-1960	1.5
1960-1961	1.2

If the greater volume of money mentioned by the honourable Leader of the Opposition had not been needed in our growing economy the record would have been quite different. In fact, the efforts of this Government to so regulate the money supply are immeasurably better than those of the former administration. In the eight years prior to 1957 the Canadian dollar lost 25 per cent of its purchasing power, and another dangerous inflationary trend had set in before the change of government in 1957. As the D.B.S. figures clearly show, the present Government was able to reverse this trend and so protect the purchasing power of our dollar.

There is just one other matter that I wish to refer to, and that is the complaint of the honourable Leader of the Opposition (Hon. Mr. Macdonald) about deficits. In this connection I am reminded of a statement made recently by the Minister of Finance to the effect that had it not been for the extremely large payments made by the federal Government to the provinces in recent years there would have been no deficit.

Those are my preliminary remarks, honourable senators. I hope I will not detain you too long, but my main remarks today have to do with what the Government is doing to stimulate the economic growth of the country, with particular emphasis on export activity.

Everyone is aware that in the year 1961 there was a marked and a welcome improvement in Canada's economic fortunes. Everywhere I go I sense a spirit of optimism which itself, I feel, will contribute to our continued progress and prosperity.

As I have mentioned, preliminary year-end figures now indicate that we achieved in 1961 a surplus in our merchandise trade balance. In other words, the total value of

our exports exceeded the total value of our imports. This, in my opinion, is exciting news. After the war, when the devastated countries of the world were rebuilding and Canada was helping considerably with loans and gifts, we generally had substantial trade surpluses, but these came to an end in 1952. The year 1961 was the first since 1952 that Canada has achieved a surplus of exports over imports. In order to illustrate the trend which we confidently hope and plan will continue, may I set out the net position for 1952 and following years:

1952	surplus	$421	million
1953	deficit	$ 95.5	"
1954	deficit	$ 41.6	"
1955	deficit	$240	"
1956	deficit	$713	"
1957	deficit	$589	"
1958	deficit	$156	"
1959	deficit	$368.6	"
1960	deficit	$ 97	"

The 1961 surplus according to unofficial estimates may very well be of the order of $100 million.

While sales abroad of primary products, including grain to China, have been an important factor in raising our merchandise export total to a record high and in reaching a net surplus position, we have also seen an impressive jump in the export of manufactured goods. I venture to repeat the well-worn statement that Canada, as one of the great trading nations of the world, must export to live. That statement has never been more true than at the present time. Our bettered export position has without doubt helped to spark the quickening growth of our Gross National Product, and to boost year-end industrial output by about 6 per cent over a year earlier.

Since exports have such a vital effect on our economic health I propose to discuss some aspects of them, and mention what we are doing to meet the problems which have arisen.

First of all, I shall describe some of the developments in the Canadian economy in recent years and the various governmental measures which have led to an improvement in it, all of which, of course, have a definite effect on our ability to sell competitively in foreign markets.

Secondly, I shall detail some of the things being done by the Government here in Canada with a view to improving our export potential. Finally, I shall describe the facilities available and the projects which the Government has undertaken in foreign countries to help our exporters find new markets and expand old ones. I am sure you will appreciate that anything which contributes to the improvement and greater efficiency of our productive facilities in Canada will have in turn a marked effect on our ability to sell abroad. I do not intend to cover these in detail but I should like to mention some of the more significant ones.

The National Productivity Council is now getting into stride and we have recent legislation to encourage better design. You have heard of the increased emphasis which the Government is placing on the stimulation of research. Valuable assistance in the establishment, expansion and modernization of our productive plant has been given by the Industrial Development Bank. Its credit facilities have been expanded and more advantage of them is being taken all the time. The bank reports that loans in the first quarter of its current fiscal year were up 82 per cent over the same period last year, and last year showed an increase of 84 per cent over the previous one. Since 1958 the bank has almost doubled the number of its branch offices, including new ones at Saint John, New Brunswick, Regina, Saskatchewan, and St. John's, Newfoundland. This expansion, together with the opening by the Department of Trade and Commerce of regional offices across the country, should encourage new and wider diversification of industry.

The forests, farms and fisheries of Canada yield almost half our exports in value. For this reason both Government assistance and private advancement in these fields are of the utmost importance.

In the forest products category, a significant development was the creation of the new Department of Forestry. There has been an intensification of research and development under the direction of that department. In a field such as forestry a high degree of co-operation and co-ordination of effort with the provinces is, of course, most essential. In 1951 the federal Government commenced assisting the provinces financially in their efforts to promote reforestation and to take inventory of forest resources. Since then the federal assistance has been progressively broadened to include capital costs of fire protection facilities, construction of forest access roads and, most recently, stand improvement work. The federal expenditure is distributed among the provinces in proportion to their productive forest area and for the current year is about eight times as large as for the year of inception.

The industry itself is taking successful measures to improve its competitivity and is directing its attention increasingly to export objectives. In the face of technological developments in other countries and extremely keen competition, the struggle has by no means been an easy one. To give you some idea of the success which is attending these

efforts, I shall give export figures in millions of dollars for the three main forest product items from 1955 to 1960, and compilations available for 1961 show a continuation of the definite upward trend.

	1955	1956	1957	1958	1959	1960
	(millions of dollars)					
Wood Pulp ..	297	305	292	285	311	325
Newsprint ...	666	708	715	690	722	758
Lumber & Squared Timber	386	328	283	294	324	346

While the record is not quite so good for lumber and squared timber, it has improved over the years since 1957-58.

Canadian fisheries are being given substantial help in improving their competitive position and, while production figures are greatly influenced by natural causes, export statistics are encouraging. At home the move to more modern fishing vessels is being hastened by higher construction subsidies. An industrial development service of the Fisheries Department is carrying on research on better fishing methods and related subjects. The Fisheries Prices Support Board has only recently commenced operations and has purchased a quantity of turbot, and is trying to develop a market for this fish in frozen form to replace that which used to exist for it in pickled form. Exports of fish and marine products have on the average increased by about $10 million annually over the last five years.

While Canada can no longer be viewed basically as an agricultural country, agricultural products still make up over one-sixth in value of our exports. The Government's comprehensive program for the improvement of the farm economy therefore has an important bearing on our export position. This program, while it produces immediate benefits for the farmer, looks to an ultimate objective of enabling our farmers to meet the requirements of the market, both domestic and foreign, in the most efficient possible manner. It is having impressive success in this direction.

One of the essential requirements of the agricultural community in making adjustments to modern conditions is an adequate supply of credit. Capital is needed to combine economic land units with satisfactory buildings, machinery and equipment. Some indication of the seriousness with which the Government is tackling this basic need may be gained from the operations of the Farm Credit Corporation. In slightly more than two years of existence it has loaned more money to farmers than did the Farm Loan Board in the previous 27 years. Encouragement has long been given by way of quality premiums for the production of better hogs, and this was extended to lambs last year. The various measures to encourage better land use and methods, stabilize prices, insure against crop failure and assist the farmer in other ways should in the long run help to establish an industry which is flexible enough to adapt itself to a variable market and at the same time provide a reasonable degree of security to those working in the farming industry.

In recent years export statistics for agricultural products have not been uniformly encouraging. The extraordinary grain sales in 1961, and other expected sales, will no doubt boost totals greatly, but hard work is still required in this area.

At this point, honourable senators, I think I should say a word on behalf of the Honourable Alvin Hamilton, Minister of Agriculture for Canada. I believe he has performed a great service in finding markets for our wheat which was piling up and which we were unable to dispose of. I believe his efforts are very much appreciated not only by the farming community in Canada but by everyone else, because the healthy condition of our agriculture and the export of the grains which are grown have an important effect on our economy.

In other fields Canada's export attainments, on the whole, look promising. I wish to give a little information with reference to these. Exports of primary and semi-fabricated aluminum have grown from $211 million in 1955 to $268 million in 1960; iron ore exports, from $100 million in 1955 to $155 million in 1960; crude and partially-refined petroleum, from $36 million in 1955 to $94 million in 1960. Other products of our mines and factories are contributing substantially to the export effort. Government policies should result in future improvements in this area.

Here in Canada there have been various other developments with a more direct influence on our export industry. Certainly a most significant one was the readjustment of the value of the Canadian dollar following the budget of December 1960. There can be no doubt, honourable senators, but that this must have gone some way to answer the frequent complaint that Canadian goods are too highly priced to be competitive abroad. I think I am safe in saying that the readjustment has increased the price of wheat to the Canadian Wheat Board by about 20 cents a bushel, and the farmers will benefit by that.

As gratifying as it is to have Canada highly regarded as a field of investment, we should not allow that investment to so distort the exchange value of our monetary unit as to cripple our export industry. When the investment ceases, as it surely will one day, we shall need the industry even more.

Honourable senators will recall the Export Trade Promotion Conference, called by the Minister of Trade and Commerce in December 1960. A really intensive effort was made to educate Canadian businessmen to the possibilities of export trade. It will never be fully known how great a benefit grew out of this conference, but it is a certainty that up to the end of last September almost a thousand new agencies were opened abroad for the sale of Canadian products, and these were directly attributable to the conference. It is also known that $22 million in new sales abroad by the end of last October can be attributed to that conference. This effort to get the message across to people in Canada who should be in the export field is still going on.

Honourable senators will have heard of the conferences which have been going on in the major cities across Canada in the past year. When the twelfth and last of these conferences is held in Montreal on February 14, it is confidently expected that all of the major businessmen, and a good many of the thousands of small businessmen, in Canada will be aware of the many facilities which exist to help them in the export market. Here I would like to pay a modest tribute to the Honourable Mr. Hees, our Minister of Trade and Commerce, who has been greatly responsible for bringing these arrangements about.

I should like to mention briefly the Exports Credit Insurance Corporation, which is receiving wonderful co-operation from the chartered banks. It will be recalled that recently it was announced that the maximum guarantee extended by the Government under this program would have to be increased from the $100 million originally provided to $400 million. The reason for this was that by the end of the year guarantee contracts totalling $214 million were completed, in process of completion, or under study. The use of these facilities gives some indication of the vacuum which existed before the program was instituted. Honourable senators have no doubt heard of the recent large sale of 70 diesel locomotives at a value of $14 million to Argentina, providing an estimated 1,800,000 man hours of work for Canadians.

Without the benefit of these insurance facilities, this and other contracts would most certainly have been beyond the reach of our Canadian industries. Somewhat along the same lines is the guarantee which the Government has extended to the Wheat Board in order to allow it to enter into the sale to China of 233.4 million bushels of grain. I might point out that this is the type of encouragement which the Government can give without necessarily spending any money whatever. There is, of course, always a risk of default, but it is a risk which a government, and perhaps only a government, is in a position to evaluate and, if necessary, bear.

Hon. Mr. Reid: May I ask a question on that point? Would the honourable leader (Hon. Mr. Aseltine) inform the house if a down payment by China has already been made, and whether that country has been given a term of years in which to pay for the wheat it is getting from Canada?

Hon. Mr. Aseltine: I do not have those figures here.

Hon. Mr. Reid: You can sell anything on credit.

Hon. Mr. Aseltine: Honourable senators, I have some general remarks to make before closing.

Before going on to consider some of the things the Canadian Government is doing outside Canada to help exporters, I want to make a few general comments about the trading world of today. Among the significant trading nations, the old division between those who, generally speaking, supplied the raw materials and those who processed them is completely gone. Even the less industrially-developed African and Asian nations are making strenuous efforts to process their own raw materials. There is not only an economic motive for this, but it involves issues of national prestige and pride.

On the other side of the fence, within their own borders, even highly-industrial nations are by no means neglecting the encouragement of their own agriculture and other basic industries. We tend perhaps to think of the European Common Market as a huge industrial complex, hungering for our food surplus. In actual fact about 70 million of the 170 million people in the Common Market area are engaged in agriculture and the fish and forest industries. About 25 per cent of the people in the Common Market countries are farmers, as against about 12 per cent in Canada. Economists deprecate such a situation because it is obvious that some countries are naturally equipped to produce certain things more cheaply and efficiently than others. It is nevertheless one of the facts of life which must be faced and it calls not only for skilful negotiation on the part of the governments but initiative and hard work from private industry. We not only must continue pushing the traditional exports in which our advantage is marked but we must also canvass every possibility of selling new items for which we have not hitherto been noted. Foreign governments must be persuaded that

it is in their interests as well as ours that the products we produce best be admitted into their countries free of unfair competition. Needless to say, this is a give and take proposition and we must expect to make some concessions as well. The point I most particularly want to make is that this activity on a governmental level goes on all the time and in a variety of ways. Negotiations at GATT or formal contacts with the European Economic Community perhaps attract most public notice, but the fact should not be overlooked that our Government is continually exploring and appraising the situation and encouraging the adjustments which must be made to meet the changes as they come along. Not less important than the governmental efforts however are those of the producer, the exporter and the distribution agencies, because the success of governmental negotiation depends in good part on our demonstrated ability to deliver goods which are better, are cheaper, are acceptable to the foreign consumer, and can be obtained when wanted.

In the countries to which we sell or hope to sell, we are making a three-pronged selling attack. First of all Canada's trade commissioners in forty-nine countries of the world are really digging for new business. This is not a question of sitting in an office in an aura of diplomatic calm, processing queries from home about foreign markets. These men have been intensively trained. They know what Canada can do and they are bending every effort to make the opportunity for Canada to do it. One of the results of the Trade Promotion Conference was that these men came home and met many Canadian businessmen, and the businessmen gained a new appreciation of the knowledge and capability of the commissioners. Needless to say, the commissioners must be backed up by the export industry. Whatever good groundwork they may lay, it is still industry that must produce the goods.

Complementary to the full-time efforts of the trade commissioners are those of the trade missions which are now being sent in increasing numbers into potential market areas. In October, 1961, after careful study and evaluation of six missions sent abroad in the previous year, the Minister of Trade and Commerce announced that twenty-four new missions would go out between then and the end of 1962. From the results obtained to date, it is clear that the missions are performing a most essential job. Foreign importers, brokers and distributors who usually have the task of actually placing our goods before the consumer have continually stressed the importance of seeing some of the people with whom they are doing business. Ideally, of course, every exporter should make frequent calls in his market area but this is not always possible, especially when the initial volume of business is modest in size. Through the use of trade missions, however, representative businessmen go into the market areas and carry out this important contact. By personal contact they are able to overcome or help to overcome some of the obstacles to greater Canadian participation in those markets.

Hon. Mr. Roebuck: Can the honourable Leader of the Government give us the number of the people abroad representing the Department of Trade and Commerce and the cost of maintaining them?

Hon. Mr. Aseltine: No, I have not that information.

The members of the trade missions are experienced men in the particular industry their mission represents; they can analyse the market and, as far as possible, sort out any problems on the spot, and finally report to all members of the industry at home so that all may benefit from the efforts of the mission. A great many of these people who go on foreign missions are themselves the manufacturers and producers of the goods and they go at their own expense.

Our missions differ from those sent out by some other countries in that they are generally small in size and highly specialized. Up until recently many Canadian industries have been solely oriented towards domestic or traditional markets. The trade missions have served not only to draw the attention of Canadians to other export possibilities but also to indicate the necessity of more co-operation and consultation within the industries than has been usual in the past. Problems of quality standards, packaging, and labeling are among those which call for collective activity in some cases.

I think the Minister of Trade and Commerce is to be congratulated on his efforts in respect to these trade missions. He is doing an excellent job and one that is absolutely essential if we are going to increase our trade, which is what we are out to do.

Of the trade missions sent out in 1961, some were sent to Europe to study the oilseeds and paper possibilities. Another, concerned with lumber and wood products, went to the eastern United States. This year some of the missions planned are as follows: A fisheries mission will visit the Caribbean and Latin America for the purpose of looking into the possibilities of greater markets for our salt fish from the Atlantic provinces and Quebec. Another fisheries mission will go to Europe, where a growing demand for

frozen foods holds out promise of better markets for frozen fish from both our coastal and inland fisheries. Forest products missions will go to the Middle East, the United Kingdom, the Common Market countries, Latin America and the eastern United States. Other missions will visit Australia, New Zealand, Israel and the Scandinavian countries.

A very important one will be the Canadian Home Heating Equipment Mission which next month will visit Britain and the continent to demonstrate home-heating equipment manufactured in Canada. Honourable senators who have visited these countries and have run into a cold spell know how difficult it is to keep warm. As one of the world's manufacturers of efficient heating apparatus, we hope to be able to enter that great market and supply millions of dollars' worth of heating equipment. This home-heating equipment mission will visit London, Manchester, Glasgow, Amsterdam, Hamburg, Dusseldorf and Paris. It leaves on February 7 and returns on March 5.

Finally, honourable senators, the third prong of our export attack is in the form of much greater participation by Canada in exhibiting at fairs abroad. Trade commissioners and trade missions are, perforce, limited to contacts in business circles. To influence the eventual consumers to buy, it is necessary that they be exposed to Canadian products. In 1962 Canada will have exhibits at thirty-four international fairs, and as planned so far for 1963 we will have exhibits at an additional twenty-one fairs. Expectations are that over 18 million people will see and, in some cases, sample Canadian products at the fairs planned.

We are having All-Canadian fairs in the new market areas of Ghana and Nigeria, at which about eighty Canadian companies will exhibit their products. Most of the participating companies will be sending Canadian company representatives to work with their local agents at the exhibits which they have prepared to show at these two fairs.

In one of our more traditional markets Canada will be the largest exhibitor. I speak of the Ideal Home Exhibition in London. Among the exhibits will be a half-scale model house designed to illustrate the principles of timber frame construction as applied to typical British house design. Many of you who are familiar with the United Kingdom will be interested in knowing that timber framed homes, unthought of there a few decades ago, are now gaining considerable popularity.

Honourable senators, I hope that I have added something to your appreciation of what exports mean to our economy and what is being done to stimulate and encourage them. In spite of all that has been done we cannot afford to rest on our laurels. The unofficial estimate that our exports increased in 1961 by 7½ per cent over 1960 is most gratifying, but we must bend every effort to continue that significant trend. In view of the critical influence of exports on our economic prospects, I am sure you will agree that these efforts are well justified, and I am confident that they will yield even more impressive dividends in the future.

On motion of Hon. Mr. Crerar, debate adjourned.

The Senate adjourned until Wednesday, January 31, at 3 p.m.

THE SENATE

Wednesday, January 31, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of work performed and expenditures made as of December 31, 1961, under authority of chapter 49 of the Statutes of Canada, 1953-54, respecting the construction by the Canadian National Railway Company of branch lines from St. Felicien to Cache Lake, Cache Lake to Beattyville, and Cache Lake to Chibougamau, in the province of Quebec. (English text).

Report of work performed and expenditures made as of December 31, 1961, together with the estimated expenditures for 1962, under authority of chapter 13 of the Statutes of Canada, 1957-58, respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba. (English text).

Report of work performed and expenditures made as of December 31, 1961, together with estimated expenditures for 1962, under authority of chapter 56 of the Statutes of Canada 1960-61, respecting the construction by the Canadian National Railway Company, of a line of railway from a point near Grimshaw, in the province of Alberta, in a northerly direction to Great Slave Lake in the Northwest Territories. (English text).

Statutory Orders and Regulations, published in the *Canada Gazette*, Part II, of Wednesday, January 10 and 24, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

Public Accounts of Canada for the fiscal year ended March 31, 1961, pursuant to section 64(1) of the Financial Administration Act, chapter 116, R.S.C. 1952, as follows:

Volume I—Summary Report and Financial Statements;

Volume II—Details of Expenditures and Revenues; and

Volume III—Financial Statements of Crown Corporations.
(English and French texts).

Report of the Auditor General for the fiscal year ended March 31, 1961, pursuant to section 70(2) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English and French texts).

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

Hon. David A. Croll presented Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Croll moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

LAND USE

NOTICE OF MOTION FOR APPOINTMENT OF COMMITTEE

Hon. Walter M. Aseltine: Honourable senators, I give notice that on Tuesday next, February 6, I will move:

That a special committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Buchanan, Cameron, Crerar, Emerson, Gladstone, Higgins, Hollett, Horner, Inman, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Veniot, Wall and White.

That the committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to sit

during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the six preceding sessions be referred to the committee.

Hon. W. Ross Macdonald: May I ask the Leader of the Government (Hon. Mr. Aseltine) if the personnel of the proposed committee is the same as last year?

Hon. Mr. Aseltine: It is the same except for the addition of Senator Hollett, and I think Senator Veniot, and perhaps one or two other changes.

UNIVERSAL COPYRIGHT CONVENTION

NOTICE OF MOTION STANDS

On the notice of motion of Hon. Mr. Aseltine:

That it is expedient that the Houses of Parliament do approve the Universal Copyright Convention signed by Canada in Geneva in 1952 and Protocol 3 thereto, and that this house do approve same.

Hon. Mr. Aseltine: Honourable senators, I would ask that the foregoing motion which stands in my name be allowed to stand today, and I move that it be placed on the Orders of the Day for Tuesday next, at which time I expect to be in a position to go ahead with it.

Hon. Mr. Roebuck: May I ask the honourable senator if copies of the Copyright Convention are available?

Hon. Mr. Aseltine: I tabled the convention and all honourable senators received a copy of it.

Hon. Mr. Roebuck: Thank you.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. T. A. Crerar: Honourable senators, my first task today is to ask your indulgence to permit me to refer to our colleagues who have passed away within the last six or eight months. Unfortunately I was unavoidably absent from the house when tributes were paid to the late Senators Euler and Bradette. I was in an equally unfortunate situation when reference was made to the passing of the late Senators Léger and Golding.

Senator Euler served a long and honourable time in Parliament. He was elected in 1917, at a time when there was much upset in our Canadian political scene. It is interesting to reflect that until his death he, along with the honourable senator from DeLorimier (Hon. Mr. Vien), the honourable senator from Gulf (Hon. Mr. Power), and myself were the last remaining members elected to the House of Commons in 1917. Now that Senator Euler has gone there are left only three of the "Mohicans" who were elected at that time.

My association with Senator Euler began almost immediately the new Parliament was summoned in 1917. I sat in council with him for a number of years and had the highest admiration for his many fine qualities. At heart Senator Euler was a shy man; he was a very sensitive soul; and I have always thought that the unfortunate experience he passed through in the city of Kitchener in 1917, when a group of hoodlums insisted that he kiss the Union Jack, left its mark upon him in all the after years. But though he was a shy and sensitive man, he had great administrative capacity. In my judgment, for what it is worth, Senator Euler was one of the best administrators there has been in a government department in my time. Let me add that he was not a popular administrator. When he was in the Customs Department, one of the most difficult departments to administer, and someone, such as a member of Parliament, asked some favour he turned a stony eye upon the request unless it was within the law to grant it. It is a fine thing when a public administrator charged with the conduct of an important Government department adopts that attitude of fidelity to his responsibility.

He was a well-informed man, a man whose judgment on public questions I respected very highly, and I might add that it was respected also by his colleagues and associates. He has now gone to his reward, and we have but our memories of him.

As to the late Senator Bradette I can say that he was one of the most lovable men we have ever had in this house. He was not a giant in intellect, but he had a shrewd common sense marked with a fine sense of humour. In his personal relationships he was the most charming of persons, and no one could have been more straightforward and honourable than he. We shall all miss our late colleague, Senator Bradette.

I come now to those who have passed away in more recent weeks. With Senator Léger my acquaintanceship was very slight, but I always respected him. He had a fine

record of achievement. He was not one of the most voluble speakers in this chamber, nor was he so in the House of Commons, but he attended the committee meetings and he followed with interest the work of the house. His passing is indeed a loss.

Lastly, I have to refer to the late Senator Golding. He also was not a giant in intellect, but there have been few men in Parliament in my time who had shrewder and sounder common sense and judgment than had Senator Golding. After all, as someone has said, wisdom is but the essence of common sense.

Senator Golding was a wise man. He had a record of fine service before he came into Parliament many years ago, and he served faithfully and with distinction as a member of the House of Commons and later as a member of this chamber.

We all mourn the passing of these fine colleagues, but I venture to say that those of us on this side of the house who marched with them in the sunshine and the rain will perhaps hold more closely in our memories their achievements during their period of life with us.

Honourable senators, before coming to the motion before us, I do have some other obligations to discharge. The first is to you, Mr. Speaker. We are all delighted to see you back with your usual vigour. We are delighted to see you because we like you and we respect you. You have always been fair, and I can say without any effort whatever at Irish blarney, such as that which my honourable friend from Gulf (Hon. Mr. Power) could indulge in under similar circumstances, that we all respect you and wish you well.

My next task is particularly pleasant. It is to congratulate the honourable Leader of the Government in this house, my old friend Senator Aseltine, on his joining the brotherhood of the Privy Council. Quite a substantial number of these gentlemen are abroad in the land. It is not without some significance, and I trust I may not be misunderstood if I refer to it, that in this company in point of service and seniority I now stand second. And so as one of the old stagers, who is pretty well dated by that fact, I welcome the most recent recruit and trust that his association with the Privy Council will be as long and as happy as mine has been.

My next task is to make reference to the honourable senators who moved and seconded the motion under consideration. The mover, Senator Méthot, discharged his duty like an old veteran, although he had been here only a few years. We all like Senator Méthot, and some of us on this side regret that political fortune did not place him differently. We respect him, and I compliment him on the excellence of his speech in moving the address in reply to the Speech from the Throne, for in itself this motion was a heavy burden as I shall endeavour to point out before too long.

May I also welcome the new senator from Newfoundland, Senator Hollett, whose designation I believe is Burin. I am not sure that I have pronounced it correctly.

Hon. Mr. Higgins: That is right.

Hon. Mr. Crerar: When the honourable Leader of the Government (Hon. Mr. Aseltine) referred to him yesterday as a distinguished graduate of Oxford University in England, being strong in the field of mathematics, I knew we had a most distinguished addition to our assembly. It was almost frightening to me, an old senator who was reared on the hard-bitten Prairies seventy-odd years ago. Nevertheless, I welcome Senator Hollett, and I venture to express the hope that his interest and skill in mathematics may afford him the opportunity of totalling up some figures and placing them before the Government in respect to our financial situation. I can assure him that were he to do so he would be rendering a most useful service to his country.

I come now to the Speech from the Throne itself. To say the least, it is an interesting document. I read it through carefully, weighing all the sentences. It reminded me of a story I heard many years ago about the late William Jennings Bryan, who was an eminent public man in the United States 65 years ago, when, at the age of 36 years, he was the Democratic candidate for the presidency of the Republic. He was known as the silver-tongued orator from the Platte—the Platte being a river in that part of the United States from which he came. There were, of course, no television or radio broadcasts in those days and if you wanted to hear a man speak you had to attend a meeting he was addressing. It is not a nostalgia for old times, but perhaps those conditions had some advantages over what we have today. A Nebraskan—and Bryan was a Nebraskan—was visiting Chicago after Bryan had created quite a stir in the country. A Chicago friend asked the Nebraskan, "What are Bryan's speeches like?" The Nebraskan replied, "Oh, Bryan's speeches are like the river Platte, which is a thousand miles long, ten miles wide at its mouth and two feet deep".

I am bound to say that when I read the Speech from the Throne—perhaps it was ill will on my part, although I think not—this story about Bryan was brought back to my memory.

The first thing that struck me on reading the speech was not only its length but

its character. There was something in it for almost everyone. Notwithstanding the fact that we have had huge deficits for five years and that our deficit for the present fiscal year will probably exceed, if current estimates are right, the estimate of $650 million given by the Minister of Finance when he delivered his last budget, we are apparently about to embark on another program of spending that will add very appreciably to the burden of our finances.

There are only two legitimate ways in which a government can meet its financial obligations and pay its bills. One is through taxation, increasing revenue by imposing more taxation upon the people. The other is by borrowing from the public or public institutions. If those two methods fail then a government is in a rather difficult position, but it always has a remedy. I am speaking, of course, of the central government, for it controls the issue of money and the money supply. The provinces are in a different position. As some provinces did in the 1930's, they must impose more taxes, or cut down spending, or go into default on their bond interest. This has not been an uncommon experience in the United States.

These were some of the reflections that came to my mind as I read the Speech from the Throne. In one paragraph we were told that further measures to stimulate the economic activities of the country would be placed before us in a proposal to build a railway in the Gaspé Peninsula. I have no doubt whatever that this railway will be of service. In the same paragraph is forecast a proposal to assist the province of Manitoba in building a floodway around the city of Winnipeg.

Twelve years ago this coming spring, the city of Winnipeg had a disastrous flood. Periodic floods have occurred in Winnipeg's history at intervals of around 25 to 50 years. The estimated cost of this floodway is, I believe, $80 million. It will be some 30-odd miles in length. Its purpose is to tap the waters of the Red River about 12 miles south of Winnipeg and bring them around in an arc to about 20 miles north of Winnipeg. The federal Government's contribution to that floodway is 60 per cent. As a Manitoban perhaps I should not criticize this expenditure. However, the probability is that we will not have a flood for many years. Before building a floodway at this particular time it would be wise to consider that our finances are in disarray and that our budgets are so much out of balance that such an undertaking could be postponed for a few years until our finances are in a better condition.

There is also embraced in this proposal the building of a canal, or a ditch, or a floodway, from the Assiniboine River west of Portage la Prairie to Lake Manitoba. This would be about 18 miles in length. Of course, on top of that, under the Prairie Farm Rehabilitation Act a huge dam is being built at federal expense on the Assiniboine River at a point a couple of hundred miles west of Winnipeg to hold back flood waters.

I do not wish to leave the impression that these expenditures or proposals are not worthy of consideration. I think they are. What I submit to the house is that these projects, as well as others I shall mention in a moment, could very well be deferred until our finances are in a little better order than they are now.

There is another measure to increase the total amount that may be made available to the Export Credits Insurance Corporation. I have no particular criticism of that either. We shall have to wait until the legislation comes and see what the proposals are. All I wish to point out is that I fear this too will make another drain on Mr. Fleming's resources.

There is to be an amendment to broaden the scope of the Small Businesses Loans Act, and that falls into the same category.

Then we have the provision for a new kind of distribution of electric power. In the terms of the Speech from the Throne, apparently this does not involve any expenditure of money at the present time; but may I say in passing that I think it will be a pretty difficult proposition to induce the provinces to come into a federal scheme for the distribution of electrical energy back and forth across provincial boundaries. I offer the observation that it would be wise for the federal Government to keep away from it and to let the individual provinces make these arrangements among themselves. There is nothing more disturbing today, to my way of thinking, at any rate, than the apparent differences that are growing up between the federal authority and the provincial authorities. As we all know, in family affairs, when money is involved between rival claimants it often generates a deeper feeling of animosity than anything else does. I sometimes feel there is something of that today in the whole range of our federal-provincial relations.

When I first came to Parliament in 1917, one of my colleagues in Sir Robert Borden's Union Government was the Honourable Arthur Sifton, who had been the Premier of Alberta. After the election Mr. Sifton presented me with a volume of our Constitution, that is, the British North America Act, and all the

amendments to it. He said, "I am giving this to you because I hope you will go far in public life. If you do, may I say to you that there is no surer way of maintaining unity in this country than by maintaining the right kind of relationship between the provinces and the federal authority, where each looks after its own responsibilities." I think there was a great deal of truth in that observation. Our provincial and federal affairs are so now intertwined and mixed up, arising out of money needs, that I fear we will have increasing friction. We have a manifestation of it today in the difficulties between British Columbia and the federal authority over the Columbia River. Another manifestation is in the province of Quebec, where we see a type of movement afoot, which I can understand but I hope will not go very far, towards separating Quebec from Confederation.

Other criticisms are sometimes levelled by public leaders in provincial affairs, that the federal authority is too niggardly in giving them money. On other occasions we find that the provincial authority says to claimants, "Well, this is a federal responsibility." Some municipalities come to the local government and say, "We want your help in this." The reply goes back, "Oh, no, that is a federal responsibility." And so it goes. To my mind, this has elements of dangers in it. I have no hesitation in saying to this house that so far as I am concerned I would like to see the responsibilities of the provinces vis-a-vis the federal authority clearly defined, and let each do its own part in trying to reach some readjustment of general revenues, so that each authority can discharge its obligations within its own sphere.

Then there is a proposal to expand scientific research. I think that is sound. However, I sometimes wonder if there is not a great deal of overlapping in the expenditures of moneys on research. Research work is being carried on by corporations, by universities, and by the federal Government, and I suspect a good deal of overlapping occurs.

Next I wish to mention the question of the maintenance of fair prices for farm and fishery products. That has taken a good deal of expenditure in the past. It has a very attractive and alluring appeal, and of course if a government is willing to hand out money for a particular interest or to any particular community, it will always find many takers who are willing to avail themselves of it. The money is not always wisely expended. For example, we have at the present time over 200 million pounds of butter in Canada. That is the result of maintaining a price structure on butter that is too high in relation to cream which goes into the making of butter. The butter surplus is continually piling up. The proposal advanced, and I have no doubt the Government will agree to it, is to reduce the price of butter to consumers by the difference between 64 cents and 50 cents and to make up the loss to the producers by a subsidy. That is a blessed word—subsidy. We have a subsidy for this and a subsidy for that. But, honourable senators, there has never been a subsidy paid anywhere in this country yet for which the taxpayer did not have to foot the bill, and if our burden of taxation is as oppressive, as I believe it is, then this method of granting additional subsidies should be most carefully scrutinized.

Then there is also the proposal which we shall have before us in a day or so to pay acreage payments to farmers. I refer to the proposal in the supplementary estimates. Now the acreage payments will be of the order of $42 million. Again, as a Westerner I may be accused of disloyalty to the Prairie country, but I am bound to say that in the vast majority of instances those payments are not vitally necessary to farmers. I know of farmers who have gross incomes of from $15,000 to $20,000 a year, yet each one of them is going to get his $200 under this proposed acreage payment scheme. I know it is difficult to do, but if it were possible to segregate those who are in real need and pay it to them, we would save a substantial sum of money because I venture to remind the house now that when this supplementary estimate goes through, our total spending for this year will already—and we are two months away from the end of the fiscal year—be approaching and not very far from $7 billion. If anyone thinks that is peanuts, he had better think again.

Now I come to the next item, and this is really the prize one—old age security. The Government proposes to increase at once, or as soon as legislation is passed, old age security payments by $10 a month. That will be a great boon to gentlemen like, for instance, our colleague from Vancouver South (Hon. Mr. Farris) and his seatmate our colleague from Wellington (Hon. Mr. Howard). I am sure they need that additional pension. I also will be a beneficiary. Honourable senators, if we pay this additional pension at this time, along with the pensions to those in need between 65 and 70 years of age, of which the federal Government pays half and the provinces pay half, and also pensions to the disabled, the blind and one or two other categories, altogether we shall add immediately to our financial burden about $125 million a year. Not only that, but we push the provinces, some of which are having some difficulty in financing, into additional spending to match the 50 per cent contribution from

the federal authority for those mentioned in the 65 to 70 age group. Now, could we not have managed for another year or two, until our finances are in better shape, instead of putting this out at the present time? When the old age security committee sat in 1950, which was a joint committee of the Senate and the House of Commons, there was an implied intention in their report that the contributory system should be considered in introducing the pension, then $40 a month. It was never intended that the pension granted would be the sole means of support of the person who receives it. It was to be a supplementary aid to him in difficult circumstances.

When Mr. Harris, the Minister of Finance in 1957, in the face of an election, raised the pension $6 a month to $46—and he was greatly criticized for doing so little—he was within a fine fraction of a point in matching the increase in the cost of living that had taken place from 1950 to 1957. And yet, so alluring was the prospect of getting votes, this was all thrown to the winds. The promise of $55 a month, by a further increase of $9 in the pension, rightly or wrongly—and I never thought it had such an impact as did others—was given as the reason why the Conservative party was so successful at the polls.

I put it to this house, to honourable gentlemen opposite: Is that the honourable way to try to win elections?

Hon. Mr. Hnatyshyn: What about the promise of $75 a month?

Hon. Mr. Crerar: My honourable friend's political thinking is running away with his judgment at the present moment. I have no more sympathy with the $75 pension, and I will not be found supporting it unless it is on a fully contributory principle. If it is on a contributory principle, yes. I do not care how large a pension is paid provided it is based on a contributory principle. The weakness in our whole pension scheme today is that the contributory principle was never considered when it was established.

Life insurance companies have proof that if a young person contributes regularly month by month during his earning years, he could provide for himself a pension substantially greater than that which can be reached under the law we are now considering. I will venture this further assertion, and I may find very few supporters in the house, that if a way can be found—and I believe it could be found—to take this whole business of pensions out of the hands of Government altogether, so far as direct administration is concerned, I think we would be immensely further ahead. It is possible. The life insurance companies have in many cases developed pension plans which they are operating for corporations. They have also developed annuities plans that are very attractive. It is possible to find some way whereby looking forward 25 or 30 years, we could ultimately get our whole business of pensions in Canada on a sound actuarial basis, a sound administrative system, but only on the basis that the individual who is to get the pension would make his contribution to it. For those who are unfortunate and who could not make the contributions some way could be found to accommodate them without anything like the high cost that is incurred today.

Old age pension payments this year will run well over $600 million.

When the joint committee recommended pensions they did not envisage that by 1962 we would be paying out perhaps $625 million in old age pensions. As a matter of fact, it was found necessary a few years ago, as honourable senators will recall, to supplement the income of the pension fund, which was then financed on what was known as the 2-2-2 formula—that is, 2 per cent of corporation tax, 2 per cent of personal income tax, and 2 per cent of the sales tax. When the fund was running behind, and Treasury had to advance money to keep the pension payments flowing, those percentages were raised 50 per cent, to 3 per cent in each case. As a result the fund built up a surplus, though not very large considering the amount involved; but in the month of November last, with the 3-3-3 formula, the fund ran behind by $1 million. Probably from this time on the pension payments out of the fund each month will be more than the amount paid in. It does not require much imagination to foresee where we shall be before very long, under those circumstances. That, let me repeat, is in face of a deficit which this fiscal year promises from all indications to exceed the deficit of $650 million estimated by the Minister of Finance in his last budget. At the end of the first eight months, that is up to the end of November, the deficit had reached $304 million; and the last four months of the year are, of course, by far the most expensive ones. Last year the deficit was $45 million over the same period. So, for the last fiscal year, as compared to the previous fiscal year, the deficit for the first eight months was more than six times that of a year ago. I submit that is not a very healthy state of affairs.

At the moment, that is all I wish to say on this matter of social security. I am not opposed to social security: I am in favour of it, but I say now, and always have said, that I have a grave doubt as to the soundness of the practice of making handouts to people. The

sound method would have been to put into effect a contributory system and thus let the individual, as he earns through his working years, make his contributions and be able to receive a larger pension than he is getting today under this kind of administration.

A young man who starts working at 18 to 20 years of age has a normal working life ahead of him of perhaps 45 years. If he makes a modest contribution each year he builds up a fund which, if administered on sound actuarial principles, will return him a first-class pension on his retirement. He then has the satisfaction of knowing that it is not a handout from the taxpayers of Canada, but that it is the result of his own effort. His self-reliance and self-respect are thereby increased.

There are other proposals that will lead to the spending of more money. I have no doubt that probably some of them are wise, but I come back to the point, that at this time, with our finances in their present disarray, the thought of the Government should not be towards spending but towards saving and trying to balance our budget. At the present time our budget is badly out of balance.

Hon. Mr. Hollett: Would the honourable senator allow me to ask a question?

Hon. Mr. Crerar: Certainly.

Hon. Mr. Hollett: Concerning the matter of old age pensions and the contributory idea, would not the honourable senator agree that a young man who starts, say, at 20 to 25 years of age to pay income tax and taxes on everything else is, in fact, contributing towards a pension at the time when he becomes too old to work? Is that not a form of a contributory pension scheme?

Hon. Mr. Crerar: No, I would disagree with that point of view. I am thinking of the young man who is in the income tax paying bracket —and I have forgotten what he must earn before he is required to pay income tax today.

Hon. Mr. Aseltine: $1,000.

Hon. Mr. Crerar: I would certainly allow what he contributed to a pension fund as a deductible expense, so far as his income tax is concerned. I think that is in effect today.

Hon. Mr. Hayden: It is, within limits.

Hon. Mr. Crerar: That is so with regard to certain approved pension plans.

I want to deal with the point made by the honourable the Leader of the Government (Hon. Mr. Aseltine) yesterday when he was talking about the expansion of the currency. He put up a rather plausible argument but one which was not very sound. He admitted, in effect, that there had been an expansion in the money supply, but he said that this has proved necessary to care for the expansion in the economy that has arisen through the beneficent policies of the present Government.

What are the facts? I have taken the opportunity of checking some figures I received the other day from an investment house in Toronto, one that has, I think I am safe in saying, a very fine reputation. These figures touch on this particular point. It is a difficult subject, but I shall make it as simple as I can.

In December 1957 the total money supply in Canada was about $11,900 million. On December 31, 1961 that had increased to over $15,000 million. That increase amounted to a little over 26 per cent. Those figures have to do with the money supply.

The Gross National Product at the last quarter of 1957 was at a rate of about $31,400 million. In 1961, at the comparable date, it was at a rate of $37,300 million. In other words, the increase in the money supply over that period had been 26 per cent, and the increase in the Gross National Product had been 20 per cent. On that basis alone, that called for an increase of over $750 million in the money supply.

If we add to that, as we are justified in doing, the amounts that are out in savings bonds—which are practically the same as cash —the money supply would increase from 26 to 31 per cent as against a 20 per cent increase in the Gross National Product.

I do not think these figures can be successfully challenged. I may say to the house, that this is a matter which today is giving grave concern, very grave concern, to business institutions and many private individuals all over this country. It arises solely from the fact that our spending has outpaced our revenues, and there is no denying that fact. We are loath to tax more, and I can understand that, because the point can be reached in taxation where the law of diminishing returns commences to operate. We can borrow, but we cannot borrow advantageously. We cannot sell long-term bonds without a great deal of difficulty or without a much higher rate of interest than that which we should be paying; and in the hope that things will get better next year, or the year after, we resort to measures which encourage inflation.

I submit to this house that what I have said is within the true facts, and it is a dangerous course for this country to be following.

The Government should economize drastically and cut down its inordinate spending and I for one would be willing to pay more income tax, much as I dislike it, in order to get the country back on the rails again. But, I do not see any sign of economy; there is no mention of it in the Speech from

the Throne—only spend, spend, spend. Indeed, we might be in the sunny climate of Italy so far as our financial outlook is concerned. The Speech from the Throne makes no reference to our difficulties in that regard, and yet I submit to this house that that is one of the most important things, if not the most important thing, which faces this country today.

There is nothing more to be feared than a depreciation in the value of our currency. If we go on with deficits as we have been and if we go on with the free spending, not only here but in our provinces and elsewhere, then I think it is inevitable that we shall have a currency expansion, and once we get on that slippery slope—and we are now teetering on the edge—it is a very difficult matter to stop sliding.

My honourable friend, the Leader of the Government (Hon. Mr. Aseltine) shakes his head. I repeat, if we continue as we have been doing what other answer is there? The Government must pay its bills. I fancy that if any of us failed to get our indemnity cheque at the end of the month we would want to know what had happened. I do not think there is much doubt about that. The Government must pay its bills. As I said earlier, the federal Government cannot go broke, in the critical sense, but the people may suffer disastrously in the end if the Government's policies are not wise and sound.

I think I have talked long enough, honourable senators, but there is one other matter I should like to mention and that is that this program—and in this I certainly do not want to be unfair—seems to indicate that we shall have an election within the next year. I am not criticizing the Government particularly because, unfortunately, the same thing is to some extent found in other political parties today; but there is this attitude that if you are going to win public support you must hand out favours to the public. I do not believe in that and I make no bones about saying so. I think the responsibility is upon the members of Parliament in this and in the other house so to manage the business affairs of this country that our people have a chance to work, to save, and to prosper, and that we should not try to win their support by these dubious means.

There is no doubt in my mind that the 1958 election which Mr. Diefenbaker could have won without making a single promise was an unfortunate occurrence for this country. This theory that it is necessary to spend public money to win the support of the electorate certainly is a dangerous one, and I would like to register my protest against it, and I care not who is criticized by my saying that.

Honourable senators, five years from now we will celebrate the centenary of Confederation. Those of us who are familiar with the conditions which existed between Ontario and Quebec 100 years ago realize very fully indeed the tremendous task that the Fathers of Confederation faced when they finally met in Quebec to agree on the resolutions that formed the basis of our Constitution. That was a time when political differences were perhaps stronger and more fierce than they have ever been since. Yet, the Fathers of Confederation were big enough men to forget all this for the time being, and to meet together and finally bring into effect the Constitution under which we have worked for 95 years.

That was a tremendous achievement, but today, make no mistake about it, the country is facing very grave problems. Not only is the international situation bad; there are matters as to the Common Market—about which I would have liked to have said something, but which time forbids—and many other things, which place us in a very grave position with respect to the world. What the outcome will be no one knows, but I submit to this house that the first and primary duty of every member of every Parliament in Canada is to conduct our affairs and business so that we may build strength into our country, so that we may build unity into our country, and so that Canada will come to be recognized throughout the world as one of the best instances of the freedom we talk so much about but often do so little about.

Hon. Mr. Horner: Honourable senators, I would like to ask the honourable senator a question. He mentioned the Columbia River situation. Would he care to answer as to what he would do in that situation, or as to which party is right?

Hon. Mr. Reid: I will answer that later on.

Hon. Mr. Crerar: I have my views about the Columbia River situation which I shall be very glad to give. I do not know whether they will be of interest to the public, but I shall be very glad to give them to my honourable friend privately.

On motion of Hon. Mrs. Irvine, debate adjourned.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, I hope that tomorrow we will be able to commence dealing with the supplementary estimates, but that will depend upon the progress made in the other place. The business on the Order Paper today is now completed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 1, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

THE RIGHT HONOURABLE LOUIS S. ST. LAURENT

BIRTHDAY FELICITATIONS TO FORMER PRIME MINISTER

Hon. W. Ross Macdonald: Honourable senators, before we proceed with the business of the day, may I remind you that this is an important day in the life of a great Canadian who has served Canada well and, indeed, who continues to render splendid service to our country. I refer to that great parliamentarian, statesman, and former Prime Minister, the Right Honourable Louis St. Laurent, who today celebrates the 80th anniversary of his birthday. I am sure all honourable senators would like to join in extending to him our very best wishes for good health and happiness for years to come.

Hon. Walter M. Aseltine: Honourable senators, on behalf of my colleagues on this side of the house, I join with the Leader of the Opposition (Hon. Mr. Macdonald) in all he has said about the Right Honourable Louis St. Laurent. May he have many years in which to enjoy good health and a pleasant life, and to prosper in every respect. I am very pleased to take part in wishing him a very happy birthday and much happiness in the future.

(Translation):

Hon. J. M. Dessureault: Honourable senators, coming from the province of Quebec, may I join with the honourable Leader of the Opposition in the Senate (Hon. Mr. Macdonald) and the Leader of the Government in the Senate (Hon. Mr. Aseltine) in offering the former Prime Minister, the Right Honourable Louis St. Laurent, my best wishes. I hope that through the bounty of Divine Providence he will live a long time among his fellow citizens. In brief, I offer him my best wishes for health, success and a long life.

Hon. Mariana B. Jodoin: Honourable senators, may I also, on behalf of the French-Canadian women of the province of Quebec, offer my best wishes to the Right Honourable Louis St. Laurent who, when he called me to the Senate, conferred upon me the honour of being the first French-Canadian woman to represent the province of Quebec in this Chamber. We wish him a long life among his family, as he is a credit to his province and to the whole country.

(Text):

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. Olive L. Irvine: Honourable senators, I deem it an honour to be given the privilege of speaking in this debate.

May I compliment the mover of the address in reply to the Speech from the Throne, the Honourable Mr. Méthot, and the seconder, the Honourable Mr. Hollett, on the splendid addresses that they delivered.

We were delighted to learn of the honour that has been conferred on the Leader of the Government in the Senate, the Honourable Walter M. Aseltine, on his appointment as a member of the Queen's Privy Council of Canada. I am sure that all honourable senators will join with me in offering this distinguished gentleman our heartiest congratulations and best wishes.

You, Mr. Speaker, I congratulate most heartily on your recent appointment as Chairman of the Board of Governors of the National Theatre School of Canada. This, along with your many other arduous duties, we know you will execute in your usual distinguished and affable manner.

Honourable senators, this afternoon I wish to emphasize the humanitarian views taken and promises fulfilled by our Prime Minister, the Right Honourable John G. Diefenbaker, in the field of social justice and of the conservation and protection of human resources. Never before has such a record been equalled in a similar period of Canadian history. I do not claim that the Conservative Government has solved all the problems by any means. It has never made such a claim. But I do say that its record is one of a very creditable performance.

Pessimistic utterances must be recognized, and the best way that this can be done is by examining some of the outcries that have been raised and then stating the facts as we find them. When anybody accepts the role of a prophet then we must necessarily look back and examine the records of the past.

We have been told that the present Government has been notoriously unable to carry out its promises. Honourable senators, I know that you have all read *Maclean's* magazine—a publication which has never been regarded as a Conservative handbook—of September 23, 1961, which had this to say:

> Out of 62 pledges made by the Prime Minister during the 1957-58 campaign, 50 have already been kept or are in the process of being discharged.

Personally, I consider this an excellent record. Remember, also, that this statement was made in the month of September last.

The present Government, in economic as well as other aspects of our public affairs, is guided by the great principles laid down at the time of Confederation. Ours is a nation dedicated to the high ideals of partnership—partnership between the Government and the people, partnership between the provinces, partnership between public and private enterprise, and partnership with the nations of the Commonwealth. One aspect of the partnership between Government and the business community which is often overlooked is that while our respective responsibilities may be largely equal in the economic sphere, this is far from being the case in the broad field of social justice.

It is true, of course, that business at all levels has gradually yet steadily assumed an ever-increasing share of social responsibility. The development of corporate pensions, fringe benefits, limitation of working hours, profit-sharing, and other measures, are all, in one way or another, an enlightened form of the sharing of profits and prosperity with all those who have had a part in making them possible.

Government responsibility, and particularly that of national government in this field, has increased to a much greater extent than that of business. People of any community are divided into two main groups: first, those who are able to obtain a share of the fruits of private enterprise and to maintain a high standard of living, and second, though not as large as the first but equally as important and deserving, those who for reasons of one kind or another beyond their control are unable to fit into the highly competitive, high-speed atmosphere of the corporate enterprise system. For the welfare of this second group chiefly, government must accept responsibility.

The Conservative Government, upon taking office, assured every Canadian that every man, woman and child had the right of a citizen, that each had the right to share in the progress and prosperity of the nation. It is the view of our Government that private enterprise must operate at a level of efficiency that will provide the necessities of life for every Canadian. It is the prime and proper function of government to do everything within its power to help make that system function in the general interest, and to assume a full measure of responsibility for those social requirements which by their very nature cannot be assumed by business and the business community.

While the cost of living under the Conservative administration has risen by 8.3 per cent, today 75 per cent of all Canadians who pay personal income tax pay less than they did under the previous Liberal administration, thus showing a substantial improvement in our standard of living. Every year since 1957 Canadians have earned more, spent more and saved more that ever before. To prove this point let us analyse the statistics of labour income.

Honourable senators will find that in 1956, the last complete year the Liberal party was in office, labour income per man employed stood at the annual level of $2,666, whereas in October 1961, the last month for which I could obtain official figures, the level was $3,174. In terms of total labour income this has increased from $14,890 million in 1956 to $19,642 million by October 1961, an increase of $4,752 million.

Of course, our labour force has also increased. In December 1956, we had 5,828,000 workers, in contrast to a labour force in December 1961, of 6,082,000, an increase of 254,000.

In answer to criticism from the Opposition benches, I consider that the last four years have been good years for business and for Canadians generally. The most significant public proof of that is the evidence of the economists that Canada, with the second highest standard of living in the world, has weathered the hemispheric recession much better than the United States, the only country with a higher standard of living.

The steady progress of the economy has made possible the greatest increase in social justice payments to Canadians in all our history, an increase of 77 per cent, from a total of $1.3 billion in 1956-57 to $2.3 billion in 1960-61.

A part of this is due naturally to population increase, but let us remember that the level of corporate profits before taxes has been more than maintained. In the four years 1957 to 1960, compared with the previous four years 1953 to 1956, corporate profits before taxes in Canada increased by more than the total increase in social justice payments, of from $11.2 billion to $12.6 billion, an increase of $1.4 billion. In other words, our

business economy during this period has fully justified itself by demonstrating its ability to provide for this high level of increase in the social needs of Canadians.

Let us compare the overall social grants paid by the present Government in four short years, as compared to those of the previous administration. Tremendous strides have been taken in tipping the scale in favour of the average Canadian citizen—an increase of 77 per cent, to be exact, and in the current fiscal year the increase is expected to be around 85 per cent.

The first grant to be considered is that of family allowances, introduced during the previous Government's term of office. In 1956-57 the payments amounted to $397,517,840, and in 1960-61 they had risen to $506,191,647, an increase of $108,673,807, or 27.3 per cent.

Old age security payments have increased even more. In March 1957 old age security payments were made to 797,486 Canadians, while in March 1961 the number of recipients had risen to 904,906, an increase of 107,420. The comparative amounts paid out in these same periods are even more impressive. The total for 1956-1957 was $379,111,374, while in 1960-61 it was $592,413,283, an increase of $213,301,909, or 56.2 per cent.

During the past four years old age pensions and old age assistance payments were increased to $55 a month. Later, residence requirements were reduced from 20 to 10 years, and for the first time pensioners who meet the necessary qualifications may travel to and live in any part of the world, be it for health or other reasons, for an unlimited length of time and still draw their pensions.

Blind and disability pensions were also raised to the maximum of $55 a month.

Since the opening of the present session the Speech from the Throne has forecast a measure relating to old age pensions. Since that time we have been informed that, after the fullest consideration, the Government has come to the conclusion that appropriate legislation will be placed before the house to increase old age pensions by $10 a month and to increase the amount contributed to old age assistance, and pensions to blind and disabled persons on the same basis.

I shall now deal with the subject of hospital insurance. This justice was first promised by the Liberal Government. They seemingly forgot about it for 37 years, then suddenly introduced it and put it on the statute books. It was left, however, to the present Government to bring it into effect and pick up the tab. This was done in reality within 12 months after it took office. To date the Progressive Conservative Government has provided $664.6 million to the provinces to assist in providing hospital care for Canadians from coast to coast. For the fiscal year 1960-61 the amount contributed was $189,368,503, and the estimated forecast for 1961-62 is $274,491,000.

I now turn to a matter closely connected with hospital insurance grants, that of hospital construction. In this particular duty we find that the Government of the day has increased contributions by more than 177 per cent. In 1960-61 the total payment made was $17.5 million in comparison to $6.3 million in the last year of the Liberal administration.

The last but in no way the least important social justice grant I shall deal with is that pertaining to veterans pensions. Our Government said that it would increase veterans pensions and dependants allowances. There is not a veteran in this country who does not realize what has been done in this connection. Because the Progressive Conservative Government believed that the veterans pensions and dependants allowances were not in keeping with the responsibilities that they discharged, nor with the responsibilities of the nation towards them, it accordingly went ahead as promised. This subject will be dealt with fully later, but for the record may I state that as a result of changes in the veterans legislation since mid-1957, direct payments to and on behalf of veterans are up by over 50 per cent, from $200 million to $305 million. Nearly all of this increase is attributable to the improvements made in the Pension Act, the War Veterans Allowance Act, and the Veterans Land Act.

Comparative figures for the major continuing benefits under the Veterans Charter, as at March 31, 1957, and as estimated for the year ending March 31, 1962, and the net increases, are as follows:

BENEFIT	1956-57	1961-62	Increase
Disability and Dependant Pensions	$130,308,000	$178,734,000	$48,426,000
War Veterans Allowances	41,259,000	75,145,000	33,886,000
Assistance Fund (W.V.A.)	742,000	3,745,000	3,003,000
Veterans Land Act Loans and Grants	20,998,000	40,819,000	19,821,000
Treatment and other Allowances	2,499,000	2,925,000	426,000

These increases are due in part to upward revisions in the benefits themselves, and in part to the fact that the scope of the legislation has been extended to include more veterans, widows and orphans.

The achievements outlined in the review above are solid proof that excellent progress has been made, and I know that the Government will continue to keep it a dynamic program for Canada's veterans and their widows and orphans.

Having dealt briefly with the progress that has taken place in the field of social justices, may I speak briefly on two subjects very dear to my heart; first, vocational training, which has been introduced by the present Government; and secondly, the increase in university grants.

The Technical and Vocational Training Bill was designed to stimulate the development and broaden the scope of technical and vocational training programs in Canada. As honourable senators know, one of the many problems facing us today is that of relating our technical and vocational education and training programs to the social, economic and industrial situation of our day. This involves both our long-range educational training programs and the shorter-range programs which retrain, upgrade or refresh those who must adjust to changing conditions, age or physical condition.

You will all agree with me that Canada's progress, wealth and security, depend on the educational level, technical knowledge and skill of her people. The important man today is the highly trained worker, because modern technology is reducing or cutting out completely the old form of hand labour. Technical or vocational training is the key to Canada's future. This must be a joint effort on behalf of federal and provincial Governments. In the year 1961-62 the Government estimates its contribution to this most worthy project will amount to $61,875,000.

University Grants: The experience of the last ten years has shown the beneficial effects of federal assistance to Canadian universities and colleges. It was first originated to aid veterans of the Canadian forces, and after 1949 it took a broader concern for national development.

After the Massey Report was published and the deplorable financial standing of our universities was made known in 1951-52 federal grants were established on the basis of 50 cents per head of the population of each province divided among the universities of that province. In 1956-57 the amount per capita was raised to $1, and in 1958-59 to $1.50.

The Progressive Conservative Government still believes in the necessity of federal assistance to universities, as exemplified in the Throne Speech, and our Prime Minister has stated that Parliament will be asked to increase these grants from $1.50 to $2 and to make suitable provision in those cases where alternative arrangements are made for supplementary provincial grants in lieu of federal grants.

The Canadian Universities Foundation has undertaken the distribution of the money at the request of the Canadian Government, and recently the Government has devised an alternative method of providing the funds so as to remove the doubts that had previously existed in the province of Quebec. As the Minister of Finance has said, it is vital to the functioning of our Constitution that federal assistance be used neither to involve nor to cloak any federal trespass upon the provincial domain in the matter of education. It is a tribute to the federal Government that the principle of academic freedom has been the cornerstone of all its dealings with the universities. Ottawa bans no books, dictates no curricula, and intimidates no professors.

For the first time university students are permitted to deduct tuition fees for income tax purposes.

During the first six months of 1961 universities were granted loans at low interest rates for residence construction totalling $17.4 million. In the year 1956-57 federal grants to universities were $16 million and at present they stand at $27 million, an increase of 66 per cent. Broken down, these grants include the one per cent abatement payment to Quebec, which amounts to $7.8 million, plus university grants to other provinces totalling $19.4 million.

All these far-reaching plans, projects and achievements have been made possible, thanks to constructive and progressive leadership. Pride in Canada and confidence in her future have stimulated the Prime Minister and his Government to promote the all-round development of our vast country. No area has been neglected; all have received attention; all have been given opportunity.

Honourable senators, in closing may I quote those famous words of Sir Winston Churchill:

> Upon the whole surface of the globe there is no more spacious domain than Canada, open to the activity and genius of free man.

On motion of Hon. Mr. Farris, debate adjourned.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. Mr. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it do stand adjourned until Tuesday next, February 6, at 8 o'clock in the evening.

Honourable senators, being an optimist like my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald), I came prepared to speak on the supplementary estimates, in the hope that the bill would be before us today. However, it has not reached us. If the bill reaches this chamber by the time the Senate resumes on Tuesday evening I shall deal with it as the first order of business.

Motion agreed to.

The Senate adjourned until Tuesday, February 6, at 8 p.m.

THE SENATE

Tuesday, February 6, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

HER MAJESTY QUEEN ELIZABETH II

TENTH ANNIVERSARY OF ACCESSION TO THE THRONE

Hon. Jean-François Pouliot: Honourable senators, on this day, the tenth anniversary of the accession of Queen Elizabeth II to the throne may I suggest that, for her courageous and successful trip to Africa last fall, for her Christmas Day message, and for her numerous activities in the promotion of peace during the last ten momentous years, it would be a very gracious and appropriate gesture if she were awarded the Nobel Peace Prize for 1962.

Hon. Walter M. Aseltine: Honourable senators, I am sure we all wish to join with the honourable senator from De la Durantaye (Hon. Mr. Pouliot) in expressing felicitations to Her Gracious Majesty The Queen on this happy occasion. I agree most heartily with all the honourable senator has said.

Hon. W. Ross Macdonald: Honourable senators, I am certain we are all most happy that Her Majesty continues to enjoy the very best of health and that she remains high in the esteem and affection of us all. We rejoice with her today, and more particularly as she unites with her family in celebrating this tenth anniversary of her accession to the throne. As the honourable senator from De la Durantaye (Hon. Mr. Pouliot) mentioned, she is indeed worthy of the Nobel Peace Prize for 1962. Whether or not that honour is conferred upon her, she remains the First Lady of the land so far as Canada and the other realms are concerned.

APPROPRIATION BILL NO. 1, 1962

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-51, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Bill read first time.

SECOND READING—DEBATE ADJOURNED

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Walter M. Aseltine: With leave of the Senate, I move second reading now.

Honourable senators, Bill C-51, cited as Appropriation Bill No. 1, 1962, is in the same form as similar bills presented at previous sessions.

Clause 2 would grant $82,390,000, to be paid out of the Consolidated Revenue Fund, and clause 3 states that the money is to be used for the purposes specified in the supplementary estimates contained in the schedule to the bill. I shall not say anything more about the bill itself at this time, but will proceed to deal with vote No. 611 which has to do with acreage payments.

Honourable senators will remember that the Speech from the Throne forecast acreage payments to the farmers of the Prairie provinces. This vote is for the purpose of carrying out that undertaking. It provides for payments to the western grain producers to be distributed on the basis of $1 per cultivated acre up to a maximum of 200 acres per individual farm. The total amount involved is $42 million.

These acreage payments, honourable senators, are deemed necessary for two reasons. In the first place they are necessary to take the place of a two-price system for wheat. As you know, previous payments of similar amounts were made in 1958 and again in 1960. The two-price system has long been advocated by the western farmers for the purpose of giving the actual producer a higher price for wheat consumed domestically than for wheat exported, but it has been feared that a two-price system would serve as an impediment to the marketing of agricultural products abroad and to free trade in them. The acreage payments suggested would provide the wheat producers with about the same amount of money as they would obtain from a two-price system, namely, approximately $45 million, and would not in any way interfere with our export trade.

The second reason is to help rectify the serious financial position in which the small western producers, particularly, find themselves by virtue of the crop failure in 1961, and also by reason of the effect of the cost-price squeeze on them.

This method of financial assistance has been adopted because it gives the smaller and worse-off farmers the largest proportion of the money being provided. Such farmers are in the great majority, as will be seen from the table of figures which I will present later.

Furthermore, acreage payments such as are being distributed by this vote would not stimulate production and thus increase surpluses which might be found difficult to dispose of. That is something we are anxious to

avoid, now that we have reduced our carry-over of wheat from 770,600,000 bushels in 1960 to 488 million bushels in 1961. These figures cover wheat in all positions: on the farm, in transit, and in commercial storage.

To emphasize the serious condition in which the farmers of the three provinces find themselves, I would like to repeat some of the information which I gave when speaking on the address in reply, namely, that in 1961 Saskatchewan produced only 125 million bushels of wheat compared to 308 million bushels in 1960. That loss is going to be severely felt in 1962. Also a serious feed shortage resulted in 350,000 feeder cattle being exported to the United States, as against 155,000 the previous year. This was a great loss to the farmers in these provinces, for they were selling this stock as feeder cattle and not as cattle ready for market. The feed shortage also resulted in 2.5 million acres of seeded wheat being abandoned to grazing, cutting for feed, or being plowed under.

Each producer holding a Wheat Board delivery permit will receive $1 for each listed cultivated acre up to 200 acres as shown on their 1961-62 crop permit books. It is estimated that about 235,000 payments will be made.

I now wish to produce the table I mentioned a few moment ago, which gives the specified acreage crops as shown in Wheat Board delivery permits for the 1960-61 crop year. The table for 1961-62 is not yet available. However, the 1960-61 table contains a great deal of information, and I ask permission to have it placed on the record as part of the debate on this subject.

The following table indicates the specified acreage groups as shown in Wheat Board delivery permits for the 1960/61 crop year:

Specified acreage groupings	Number of permits	Average Acreage per permit	Average acreage cereal crops		
			Wheat	Oats	Barley
000- 099 acres	20,172	65	15	13	10
100- 199 "	54,926	144	36	23	21
200- 299 "	49,123	247	68	36	31
300- 399 "	32,297	338	105	41	37
400- 499 "	23,443	442	147	45	41
500- 599 "	13,845	546	185	51	48
600- 699 "	9,938	637	228	49	49
700- 799 "	6,490	745	268	51	55
800- 899 "	3,854	845	300	57	60
900- 999 "	2,814	941	341	57	62
1,000-1,999 "	6,394	1,258	452	69	82
2,000-2,999 "	422	2,348	825	142	154
3,000-3,999 "	98	3,408	1,122	316	286
4,000-4,999 "	27	4,407	1,185	407	407
5,000-5,999 "	20	5,400	1,700	450	600
6,000-6,999 "	17	6,412	1,941	353	529
7,000-7,999 "	7	7,286	2,429	429	714
8,000-8,999 "	7	8,286	2,000	857	571
	223,994	345		36	34

The table shows that a very large number of those holding delivery permits are in the small-farm class. For example, in the group with a specified acreage of 99 acres or less, there are 20,172 farmers holding permits; in the group from 100 to 199 acres, 54,926; from 200 to 299 acres, 49,123; from 300 to 399 acres, 32,297; and from 400 to 499 acres, 23,443.

Hon. Mr. Crerar: May I ask whether this is for cultivated acreage, or the total acreage of farmers?

Hon. Mr. Aseltine: Cultivated acreage. The table shows a total of 223,994 permit holders. It also shows that the first five groupings make up 179,961 of the total. So the small farmers are in the great majority. As previously stated, the vote is designed principally to help them.

Hon. Mr. Wall: May I ask the honourable senator a question? I take it that anybody at all, any farmer, provided he is defined as a producer and is a permit holder, irrespective of whether his farm has been touched

by drought, or whether he has or has not produced grain, and irrespective of his need, if he has a certain number of acres he can get that amount of money?

Hon. Mr. Aseltine: He gets a maximum of $200.

Hon. Mr. Macdonald (Brantford): Is that correct?

Hon. Mr. Aseltine: That is correct. May I next refer, honourable senators, to Vote 612. This item is for $300,000 and is designed to meet a special situation in Newfoundland. Perhaps honourable senators are not aware that during the 1961 fishing season many of the fishing villages along the coast of Newfoundland experienced a very substantial drop in income by reason of an extraordinarily poor catch. It was the inshore fishermen who did not have the equipment to fish out in the Gulf of St. Lawrence or in the Atlantic Ocean some distance from land who were principally affected. The catch of cod was very poor, and the fish in coming north, or wherever they come from, did not come in close to shore as they had done previously. In addition, there were the extensive forest fires which prevailed and which kept the fishermen away from their fishing. On account of those factors they find themselves in a very poor position financially. The catch was 40 per cent below normal.

The areas most affected are not organized as municipalities, and they have very little in the way of local resources to enable them to participate in the Department of Labour winter works program. For this reason, certain representations were made by the fishermen's organizations asking for a works program; and in co-operation with the provincial Government a special program, including road construction, repairs of jetties, and so on, has been instituted. The provincial Government will contribute 25 per cent of the labour costs of these projects, and the federal Government will assume the balance. In these areas the labour content is estimated to be about two-thirds of the total cost throughout. The provincial contribution will be approximately $50,000. The total program will amount to an estimated $350,000 and should give much needed help to these distressed fishermen. This program supplements $80,000 worth of projects which have been made possible under the ordinary winter works program and together the total expenditure of about $430,000 will go some way towards offsetting the estimated $1.2 million loss in income resulting from the poor fishing season.

Hon. Mr. Pratt: May I ask the honourable Leader of the Government if it is not so that the $80,000 to which he refers is a contribution to this fund by the provincial Government and is not part of the federal grant?

Hon. Mr. Aseltine: No. Under the winter works program $80,000 worth of projects were undertaken on which the federal Government of course would pay 50 per cent of the labour cost. That is the point I intended to make.

I now come to Vote 613, which is the comparatively modest sum of $90,000. It is required to finance the do-it-now campaign, of which you are all aware. It is interesting to note that 90 per cent of the cost of all the promotion that you see and hear about in this campaign is either contributed as a public service or paid for by business and industry. This warm support indicates general realization of the need to stimulate winter construction in order to flatten out seasonal fluctuations in employment.

The next is Vote 614.

Hon. Mr. Crerar: Before my honourable friend comes to Vote 614, may I ask him what is the total amount being spent under Vote 613, because the $90,000 is supplementary to something that has been voted before. It states, "further amount required."

Hon. Mr. Aseltine: In the main estimates for 1961-62, $498,860 was provided for that purpose. This supplementary estimate of $90,000 is in addition to that sum.

I now come, honourable senators, to the last item in the supplementary estimates, Vote 614, which provides $40 million for payments by the federal Government through the provinces, through the municipalities under the municipal winter works incentive program.

You will recall that the Special Committee of the Senate on Manpower and Employment concluded that government investment in social capital was a possible means to counter cyclical and seasonal fluctuations in employment. It conceded that such might involve additional effort and cost but these would be small compared with the wastage resulting from the high level of seasonal employment. This program encourages just this type of government investment by all three levels of government at a time and in places where additional investment in social capital is most desirable and necessary. When the committee reported, the winter works program was already in effect, having been introduced in 1958. Initially, however, it was of an experimental nature and indeed some thought it would not appeal to the municipalities. It did in fact greatly appeal to the municipalities, and it has now been broadened in scope to cover any capital project of a municipality, with only a few exceptions.

The federal Government contributes one-half the labour cost of the projects and the provincial Governments varying additional proportions.

The program also provides for projects carried out by Indian bands, as has been the case during the last two winters.

To January 24, 1962, approval had been given to 6,008 projects under the program. It is estimated that on these projects $200 million will be expended during the winter works program which started on October 15 last. Payroll costs are estimated at $66 million, of which the federal Government will of course pay one-half. It is expected that the projects will provide 4,700,000 days of work for about 110,000 men.

I believe honourable senators would be interested in the details of the distribution of projects among the provinces, which are shown in the following table:

Province	Approved Applications	Total Cost of Projects in Millions	Federal Contribution
B.C.	562	$27.5	4.2
Alta.	677	26.5	3.3
Sask.	919	14.8	1.7
Man.	180	6.7	.910
Ont.	1,199	74.8	7.8
Que.	1,795	96.7	13.3
N.B.	190	3.3	.561
N.S.	58	1.4	.168
P.E.I.	34	.804	.101
Nfld.	330	3.5	.395

The tempo, honourable senators, of the program is considerably higher than last year. To give you some idea of the participation, I would say that in 1958-59, 647 municipalities took part; in 1959-60, 869 municipalities took part; in 1960-61, 2,163 municipalities and Indian bands took part. This year the number participating is 2,286 and there are likely to be further applications.

Since 1958 under this program the federal Government has contributed to the construction and improvement of roads, streets and sidewalks to a total value of $167 million; to the construction and improvement of water and drainage facilities, a total of $48 million; to parks and playgrounds $36 million, and $70 million in the reconstruction or renovation of municipal buildings, making a total in all of more than $762 million. You will appreciate that expenditures of this type have had their major effect in the construction industry where under our climatic conditions seasonal unemployment is most pronounced. The amount of $40 million will permit the Government to continue this necessary and beneficial program.

Hon. Mr. Crerar: Might I ask my honourable friend a question? This is quite an elaborate program, totalling over $82 million. This brings our total spending to a figure not very far short of $7 billion for the year. I think it would be very interesting to the house if the Honourable Leader of the Government could tell us where the Government intends getting the money to carry out this program.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Crerar: That is a very important feature, and one which should be explained to the house. How does it propose to finance this?

Hon. F. W. Gershaw: Honourable senators, I wish to make a few observations at this time, and in particular would like to deal with Vote 611. I am sure there will not be very strenuous opposition to this vote because it is necessary to help certain people who have met with disaster through no fault of their own. As almost everyone knows, it is hard to make money on a farm. There are so many expensive repairs and items of equipment required that the average small farmer can hardly work up a bank account or accumulate much in the way of reserves, so that when the current crop fails there is often hardship, want and despair.

Those who are closest to the situation welcome this measure, but there are some farmers who are going to need as much as $3 an acre if they are to have the basic necessities of life. It happened that the rainfall last year was very scant and spotty, so that while some districts received a fair amount and produced a reasonable crop, 20 to 30 bushels per acre, other districts had no rain at all.

Honourable senators, I think the weakness of this measure is that it gives the same amount of money to the man who had a crop as to the man whose crop was nil. It seems to me that more should be given to those who have suffered most and probably less to those who are not in such dire need.

Hon. Mr. Roebuck: They all have a vote.

Hon. Mr. Gershaw: They are to receive $1 per acre in each case. I know that the Prairie Farm Assistance Act is based on a different plan. It is designed to cover this very situation. The farmer who harvests only 12 bushels or less per acre receives a bonus; and if he harvests only six bushels an acre or less he receives a larger bonus. Such a farmer is in a vastly different position from the one who harvests, say, 30 bushels an acre. He can sell his crop for perhaps $1 or $1.50 a bushel and get $30 to $45 an acre. The P.F.A.A. bonus

would be only about $4 per acre. It does not greatly help, for many will need an additional bonus of $3 per acre.

Honourable senators, very briefly I want to indicate how this particular problem might be worked out. For many years the province of Alberta has been paying pensions to mothers, widows, and disabled persons, and a supplementary allowance of $15 per month on practically all pensions where that amount is required. They have recently discontinued those particular payments, and in their place, for the last year, they have been paying what they call the social allowance program. Thus, every person in the province who because of age, physical or mental disability, is unable to earn enough to supply his basic needs, can reap the benefit of this social allowance program. This system has been instituted in order to provide individuals and heads of families with the necessities of life, and it is working out very well. It is based upon the principle that those most in need receive the most.

Honourable senators, the migration from the countryside to the cities continues all over Canada, particularly in western Canada, because the producer of food has not profited by the recent general prosperity of this country. In addressing the Ontario Federation of Agriculture in December last, the Minister of Agriculture said that the real income of the industrial worker has gone up by 35 per cent since 1950, and that of the farmer has gone down by 20 per cent. So there is need to give some thought to the situation of this class of our people who have met with the greatest measure of disaster.

In the west there is and always has been a drought hazard. The seven-year drought in the thirties was the worst since settlement began, but at other times the rainfall has been deficient or has failed completely. Back in 1857, before Confederation and while the Hudson's Bay Company still controlled all of the west, Captain Palliser made an investigation for the British Government and marked out a large triangular area which he said was unfit for agriculture. Of course his prediction did not prove true altogether, but it is interesting to note that that is the triangular area that is in trouble at the present time. Then in 1874, when the Northwest Mounted Police made their amazing march out to Fort Macleod they passed through that area and found desert conditions. The few blades of grass that had existed had been eaten up by the buffalo, and there was nothing left. Then the herds of cattle came in and the buffalo disappeared. In the early years of this century the days of the open range ended, and the countryside was opened up for homesteading and settling.

The years 1910 to 1914 were very dry years. In 1915 and 1916 there was a lot of rain and there were bumper crops everywhere. In the following years, 1917 to 1919, there existed very bad conditions again. Feed for cattle and seed had to be provided, and even food for the settlers themselves. This was done by both the dominion and provincial Governments. The costs were charged against the farmer and liens were recorded on the certificates of title. This caused much trouble in later years.

In the thirties, in addition to drought, dust storms and soil drifting, there were the ruinous loan costs which impoverished many farmers. Of course, since then irrigation has done a lot to help improve the situation. On account of the hills and valleys, and the contour of the land, only a fraction of it can be irrigated. The time has now come when the pastures should be irrigated.

The honourable Leader of the Government (Hon. Mr. Aseltine) mentioned the fodder situation regarding cattle. If those cattle are to be saved and kept on, the farm pastures should be irrigated at the present time. Of course, in those Prairie regions there are sloughs, dugouts and stock water reservoirs, but during the long, hot summer nearly all the water dries up. Some 30 inches of water have disappeared by evaporation and seepage, and the conditions can only be described as desperate.

I attended a large meeting in a part of that dried out area, at which two or three hundred farmers were present, and they declared they had not had one inch of beneficial rain during the season.

I wish to make a plea at this time, particularly for those whose crops have been a complete failure, because very hard times are facing them, and this measure will at least give some relief.

Hon. Arthur M. Pearson: Honourable senators, I would like to make a few comments on Vote 611, but before I do so I would like to congratulate the honourable Leader of the Government (Hon. Mr. Aseltine) on the fine honour which has been bestowed upon him in being made a Privy Councillor. I should also like to compliment the mover and seconder of the address in reply to the Speech from the Throne (Hon. Mr. Méthot and Hon. Mr. Hollett). Both did a very fine job, and I am sure we shall hear from the honourable senator from Burin (Hon. Mr. Hollett) in many phases of our work in the future.

Honourable senators, I feel I must say something about these acreage payments. The honourable Leader of the Government has gone through this item pretty thoroughly and has given a great many figures.

It might be interesting to honourable senators to know something about what has happened in the province of Saskatchewan, the province from which I come. The year 1961 was the driest for that province in the memory of living man. We thought we had had dry years before. For instance, 1937 was a very dry year, and 1941 was extremely dry, but 1961 was the driest year that anybody in Saskatchewan can remember.

In the area of central Saskatchewan where I farm we had a good rain in 1960 which resulted in our getting a fair crop in that season, but that was one rain only and it was not sufficient to create a subsoil moisture on the land that was in fallow for the 1961 crop. That meant that the only moisture we had for the 1961 crop was that received in 1959, that moisture being stored up in the summerfallow land. There was very little snow in the winter of 1960, which did not help the situation. Nearly all of the side roads in that area usually drift in and are impassable, but during the winter of 1960 they were quite open.

The outlook for 1962 is very dim in the central part of the province, and in the southern part along the United States border, and from the border of Alberta to the border of Manitoba, and of course into Manitoba itself.

When one talks about 50 per cent of the crop in the west being lost this year, one is talking in round figures which do not have the same impact as do the figures of the losses in the individual areas. In Saskatchewan the average is 308 million bushels, but this year it was only 125 million. Not having any cattle or stock on my farm I attempted to harvest some of the grain. I went over it with a combine, and I reaped one bushel per acre, which was not a very large contribution towards the total of 125 million bushels. There was what might be called a zero crop across those areas that I mentioned before.

These acreage payments will assist the farmers to buy fuel and seed, and will enable them to get started in 1962. The farmer has to sow no matter what the weather might be and no matter what may be the condition of his soil, because if he does not sow he will not reap in the following year. The farmers never know what the next season will bring forth in the way of moisture

I might say, honourable senators, that the maximum received under the P.F.A.A. in this farm failure area would be $800 per farmer, provided he had sufficient acreage of crop land to entitle him to the $4 per acre on 200 acres. His maximum payment would be $200 under these acreage payments, so that any farmer who had less than three bushels per acre can receive by way of payment under the P.F.A.A. and the acreage payments a total of $1,000. This will help him not only to purchase his fuel and seed, if necessary, but will help him to pay his taxes and carry on during the next winter.

This disaster has affected not only the farmers but also the business people in the provinces of the west. The implement companies are an example of this. Their sales dropped off in some areas to nothing. This has a direct effect on the economy of the east. It slows down the work of these large companies in the east, and that is an indication of how close the economies of the west and the east are tied together.

It is for that reason that I feel this contribution which comes largely from eastern Canada while being a great help to the western farmer, also helps eastern Canada. These payments will help the western farmers to purchase more farm machinery which is manufactured in the east.

Acreage payments were granted in 1958, in 1960, and now in 1962, and I cannot understand how members of the other place can say that this is a political carrot. We have had these payments before, and I would point out that there was no election in the fall of 1958 or in the fall of 1960.

Hon. Mr. Wall: I wonder if I might ask the honourable senator a question. I gathered from what the honourable Leader of the Government (Hon. Mr. Aseltine) said that one of the reasons for these acreage payments was the two-price system. What was done to meet the difficulties caused by the absence of the two-price system in 1959 and 1961?

Hon. Mr. Pearson: I do not think I am qualified to answer that question.

Hon. Mr. Horner: It is not a question at all.

Hon. Mr. Pearson: In 1960, if I remember correctly, the crop in the greater part of northern Saskatchewan and in parts of Manitoba was snowed under. It was a beautiful crop, but it was snowed under.

Hon. Mr. Aseltine: That was in 1959.

Hon. Mr. Pearson: Yes, pardon me; it was snowed under in 1959, and the provincial and the federal Governments spent a great deal of money in carrying those farmers in the northern areas of the provinces. They never had to do that before under the P.F.A.A.

I well remember attending a meeting of farmers where it was said that these payments were very small—or peanuts, as some have said—and I asked them whether they felt

$2 per acre was a large enough payment. I suggested that they might reasonably ask for or demand a payment of $5 per acre, but the consensus of opinion among those farmers was that $5 per acre was far too much to ask the people of eastern Canada to be burdened with. They felt that $1 per acre was sufficient at that time. Honourable senators, that is all I wish to say at this time.

Hon. W. Ross Macdonald: Honourable senators, I should like to make a few remarks with respect to these three items that are presented to this house as supplementary estimates.

In presenting this bill today the honourable Leader of the Government (Hon. Mr. Aseltine) has followed a custom of many years' standing. Honourable senators will recall that near the beginning of each session the Government places on the table of both houses the estimates for the year. I presume that any day now we will be getting the estimates for the year we are about to enter, 1962-63, but those estimates will not tell the whole story because supplementary estimates always come along.

From 1960 to 1961 there were five sets of supplementary estimates. We started off with a total of $5.7 billion and ended up with a total of approximately $6 billion. I have forgotten what we started out with this year, but I am sure we will again end up with, as the honourable senator from Churchill (Hon. Mr. Crerar) has estimated, something like $7 billion. So, when we do get the estimates next week, or the week after if we are here, we should add, I would say, about half a billion dollars to the total that the Government, in the opening stages, says is needed. In doing that we will have some idea of the final outcome.

Honourable senators, these are the second supplementary estimates for the current year. The first item refers to agriculture. The honourable Leader of the Government (Hon. Mr. Aseltine) and the two honourable senators who have spoken have explained to us quite fully that each wheat grower with a permit will be entitled to receive $1 an acre up to 200 acres. I was under the impression that this legislation was to assist those unfortunate farmers whose land is either drowned out or dried out. I think the farmers of the west are under this impression too, and why not? If we read the Speech from the Throne delivered on January 18 we find these words:

> The drought in the Prairie provinces during 1961 has resulted in severe losses, however, and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected.

This legislation does not single out the unfortunate farmers who have been affected by the drought; it takes them all in, and there is nothing special for those farmers who need assistance most. I do not know what justification there is for the Government to bring down this legislation and give the impression that it is to assist these drought-stricken farmers when, in fact, that is not the purpose of it at all, and I now ask the honourable Leader of the Government whether it is the intention of the Government to bring down some special legislation to help these particular farmers. The honourable leader is not prepared to answer, but I tell him that that is what the farmers of his district are asking, for I have received letters from the west asking me if I know whether any further legislation will be coming down.

In spite of all I have said I will, of course, support this legislation because it does help all farmers, the unfortunate as well as the fortunate. That is the type of legislation it is and I will not do anything to injure any farmer. I know that in this type of legislation it is difficult to differentiate. It is somewhat similar to the old age pension legislation. Honourable senators know as well as I do that there are many of us who do not need the old age pension, but where are you going to draw the line? One man may have practically no annual income, another may have $1,000, another $2,000, and so on. Are you going to draw the line at the $3,000 level and not give a pension to the man who has an annual income of, say, $3,001? It is difficult to work out. And in this type of legislation, if the Government insists on bringing it in, I suppose we will go along with it because it will be of some assistance.

I should like to make a few remarks about the production of wheat in general and in relation to our domestic and world trade. I suppose someone will say, "What does he know about the production of wheat? He comes from an industrial town in Ontario and probably doesn't know the difference between oats, barley and wheat." I do know that much, but that is not my interest in grain. My interest is based on the fact that I come from the city of Brantford where two of the largest manufacturers of farm implements in the country are located. The agricultural implement industry has kept the city of Brantford active as a fine industrial centre since way back in the 1800's. I have grown up with

some knowledge of the agricultural implement industry and I have seen what the production of wheat in the West means to Brantford, the home of Massey-Ferguson Limited—formerly Massey-Harris Limited—which has also taken over the Verity Plow Company. Brantford is also the home of the Cockshutt Plow Company, which is now under the White Motor Company, manufacturers of Oliver equipment. For a time we thought the Cockshutt Plow Company would be closed down, but recent statements by the new owners have led us to believe the company will continue to manufacture farm implements.

Brantford now has a population of between 55,000 and 60,000 people, but even when it had a much smaller population as many as 8,000 people were directly employed in its agricultural implement industry, as well as many who were indirectly employed.

Honourable senators realize how much the production of grain in the west has meant to the prosperity of my city of Brantford, and I go along with the honourable gentleman from Lumsden (Hon. Mr. Pearson) who has just referred to what grain production means to all of Canada.

Along with many other Canadians from coast to coast I have been concerned with the fact that for a number of years it was impossible for Canada to sell her wheat. She had been growing more than she could sell, but last year this trend was reversed and Canada sold much more than she grew. Canada's position insofar as wheat is concerned was set forth in an editorial which appeared in the Brantford *Expositor* on February 2. This short editorial sets forth more clearly and concisely than I could just what the position of Canada's wheat growing industry is today, and if permitted I should like to read it. It is headed "Good Wheat News", and reads:

> For years Canada has resembled the Old Lady Who Lived in a Shoe. She, as you will remember from the nursery rhyme, had so many children she didn't know what to do. Canada has had so much wheat that neither growers nor elevator operators have known quite what to do.
>
> Now, for the first time since 1953, Canadian wheat farmers are free to deliver as much of their product as they like to receiving centres.
>
> The reason for the surplus dwindling is twofold: (1) The 1961 crop was only 261 million bushels as compared with the 1951-60 annual average of 497 million. (2) In 1961 we shipped 34 million bushels to China, announced a further contract for 30 million and made a long-term agreement with China calling for a total shipment of 187 million bushels of wheat and 47 million bushels of barley between now and December 31, 1963.
>
> Five years ago our wheat carryover ran to 733 million bushels. By next July it is expected to be no more than 300 million. Should there be another partial failure of the crop this year, we may have to consider reducing exports.
>
> For that reason the farmers are now being asked to increase wheat production in the hope of getting a 500 million bushel crop in 1962.
>
> This sounds like good news all along the line—right down to Brantford's agricultural implement and allied industries.

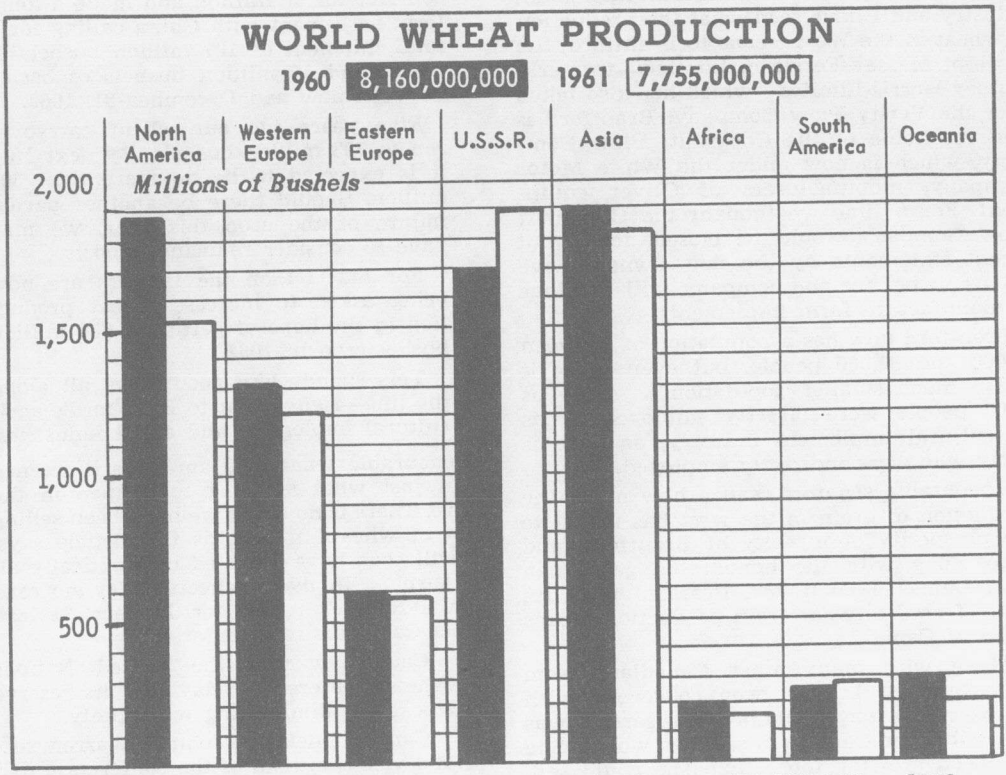
Honourable senators, I am quite concerned about just what is going to happen in the future. There is no doubt we have been selling a lot of wheat. In fact, as this article says, we will soon have disposed of practically all our surplus. In that connection, let me read from a Reuter's report for January 31 last, by its Canadian representative:

> Canada warned the United Nations Wheat Conference today that its reserve stocks are diminishing too rapidly.
>
> Canadian delegate John H. Warren, second vice-chairman of the conference, told the first plenary session that for several years Canada has sold more wheat than it has produced.
>
> Together with poor harvests due to drought, this has caused a steady reduction in reserves, he said, and by July 31 of this year these stocks might well be at the minimum permissible level.

So there is no doubt we are getting rid of our wheat very quickly.

One of the reasons we have been able to sell our wheat so easily is that there has been a sharp drop in production of wheat throughout the world. I have before me a chart, which I think will be of interest to honourable senators, and for that reason I am going to suggest that it be put on *Hansard*. It shows the world wheat production for the years 1960 and 1961. I took this chart from the *Globe and Mail* of January 18 last. I do not know where that paper got its information, but the chart shows that in 1960 world wheat production stood at 8,160,000,000 bushels, and that in 1961 this figure had dropped to 7,755,000,000. The severest drop took place in North America, which includes Canada and Mexico. With the consent of the house, I would ask to be allowed to put this chart on *Hansard*.

Hon. Mr. Aseltine: Agreed.



Production dropped to 262,000,000 bushels in 1961, from 490,000,000 in 1960.

Hon. Mr. Macdonald (Brantford): Honourable senators, with this shortage in the world it has not been much of a job for Canada to sell wheat. I am not going to take any credit from anyone to whom it is due, but when the Government says, "We have done a great job of supersalesmanship in disposing of this wheat", I think it has patted itself on the back for no reason whatever.

Hon. Mr. Pearson: What about the large surplus in the United States? Is that taken into account in estimating the shortage of wheat production in the world?

Hon. Mr. Macdonald (Brantford): The reason for the surplus of wheat in the United States is that that country has not been selling its wheat to Communist China. I will also say to my honourable friend that the great increase in the sale of Canadian wheat has been brought about by our sales to Communist China. That is where we have made our great sales.

Hon. Mr. Aseltine: Why not?

Hon. Mr. Macdonald (Brantford): I am not saying the Government should not have done it, but when it takes credit for it, then I say it is taking credit for something to which it is not entitled to receive credit.

Hon. Mr. Brunt: Do you want to take credit for it?

Hon. Mr. Macdonald (Brantford): No, I do not want to take credit for it. You could not help selling it to Communist China, because they came to your doors and begged you to sell them wheat.

Hon. Mr. Pearson: That is not quite right.

Hon. Mr. Macdonald (Brantford): And of course you sold it. Yet the Government put these words in the Speech from the Throne:

> My ministers have achieved a gratifying success in finding markets for grain and thereby reducing surplus stocks.

Hon. Mr. Brunt: Well, is that not true?

Hon. Mr. Horner: So they did.

Hon. Mr. Macdonald (Brantford): Let us be fair.

Hon. Mr. Aseltine: The farmers think it is true.

Hon. Mr. Macdonald (Brantford): When that country is at your door knocking and asking for wheat, how can you help making sales?

Hon. Mr. Horner: Is it not true that we sent more wheat to other countries, as well as to China?

Hon. Mr. Macdonald (Brantford): I did not follow the honourable gentleman's question.

Hon. Mr. Horner: I asked if it were not a fact that Canada also sold more wheat to every other country, as well as to China, than she formerly sold, and that that is the reason for the increase in sales?

Hon. Mr. Macdonald (Brantford): I said at the outset that 30 per cent of the increase was sold to Communist China.

Hon. Mr. Emerson: May I ask the honourable gentleman a question? What do the western farmers think about selling wheat and other grains to China?

Hon. Mr. Aseltine: They like it.

Hon. Mr. Macdonald (Brantford): I don't dislike it.

Hon. Mr. Emerson: I am not talking about politics, I am asking what the western farmers think about it?

Hon. Mr. Macdonald (Brantford): The western farmers like it. I like it.

Hon. Mr. Emerson: Of course.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Macdonald (Brantford): I am not opposing it, but I am saying to my friend the Leader of the Government (Hon. Mr. Aseltine) that he did not have any difficulty in selling it and should not take any credit for having sold it.

Hon. Mr. Brunt: We don't take credit.

Hon. Mr. Macdonald (Brantford): All you had to do was to allow the people of China to come here and ask if they could buy wheat, and yet you say in the Speech from the Throne—let me read it again.

Hon. Mr. Brunt: Too bad!

Hon. Mr. Macdonald (Brantford): I shall read it again:

> My ministers have achieved a gratifying success in finding markets for grain...

I think that was something that made us all feel small.

Hon. Mr. Hugessen: We have had so few successes elsewhere.

Hon. Mr. Aseltine: You cannot tell that to the western farmer.

Hon. Mr. Macdonald (Brantford): I think it is about time my friend was frank with the western farmer. I am sure the western farmer realizes what was done—he is just as wise as those who represent him in Parliament. He knows what is taking place and he knows there is no credit whatsoever due to the Government for the sales.

Hon. Mr. Roebuck: Has the wheat been paid for?

Hon. Mr. Hayden: That is the big question.

Hon. Mr. Macdonald (Brantford): Honourable senators, I think I have said enough about wheat. May I have a few minutes more to refer to produce and livestock which other farmers raise? What about butter, milk, cheese and pork?

Hon. Mr. Brunt: And beef.

Hon. Mr. Macdonald (Brantford): Yes, and beef. What about the farmer who is having a difficult time to exist on account of this so-called vertical integration? What about the farmers who are having a hard time to exist and cannot continue the family homestead? Is the Government giving any consideration to them? That is the problem. Let me refer especially to the dairy industry. I am not setting the east against the west, because there are poor dairymen in both the western and eastern provinces.

Hon. Mr. Aseltine: What about price supports?

Hon. Mr. Macdonald (Brantford): Well, what about price supports? What is the Government going to do about butter, may I ask my honourable friend? Is the Government going to do anything about this great surplus of butter in Canada?

Honourable senators, what annoys me more than anything else in Parliament is the fact that we have in this house men of experience, who have no great partisan interest one way or another, and yet when these outstanding men present to the Government solutions for these problems, what does the Government do about them half the time? I know the Leader of the Government (Hon. Mr. Aseltine) sends our proposals forward, but I think it would be in the interests of this country if the Government would pay a little more attention to them.

I recall that on January 24 of last year the honourable senator from Westmorland (Hon. Mr. Taylor), a former Minister of Agriculture in the New Brunswick Government, made certain proposals in this house to the federal

Government with respect to the dairy industry. He referred to the supply of butter, and suggested ways and means by which the Government could dispose of the surplus. Has the Government taken any action on his suggestions? Has the Minister of Agriculture or the Minister of Trade and Commerce—I don't know which one is responsible for the sale of butter—taken any action? I understand the Minister of Agriculture sells wheat and the Minister of Trade and Commerce sells butter, but I may be wrong. In any event, has either or both of them paid any attention to my honourable friend's suggestion?

Hon. Mr. Brunt: You admit the Minister of Agriculture sells wheat?

Hon. Mr. Macdonald (Brantford): Yes.

Hon. Mr. Brunt: But that he does not have to sell it?

Hon. Mr. Macdonald (Brantford): Yes, sell it—but he must not give it away. My point was that he could not help but sell wheat. My honourable friend says that the Minister of Agriculture sells wheat. I will say to him that the Minister of Agriculture does not sell butter, but he might have sold some butter if he had listened to the honourable senator from Westmorland (Hon. Mr. Taylor).

What is the situation with respect to butter? When the honourable senator from Westmorland made his speech in January 1961 the Agricultural Stabilization Board then held 118,206,251 pounds of butter. That was a year ago. What is the situation today? Instead of reducing that figure by selling some butter, there was in storage on December 31 last, not 118 million but 174,611,265 pounds of butter.

Honourable senators, do you not agree with me that it is about time we sold that butter? Butter is different from wheat. If we cannot sell wheat we can store it, but butter cannot be stored forever. In fact some of the butter which has been stored has already been made into butter oil.

My closing remarks are that I am going to support these three supplementary items, but I would also ask the Leader of the Government (Hon. Mr. Aseltine) if he would once again bring to the attention of the proper authorities in his Government the speech by my honourable friend (Hon. Mr. Taylor, Westmorland), and if he does I am sure they will be able to dispose of this great mass of butter which we now have on hand.

Hon. Calvert C. Pratt: Honourable senators, I would like to have a word in this debate. Questions have been asked: What about butter? What about meat, and other things? I naturally ask, what about fish? I am going to speak for a few minutes on Vote 612, and in doing so I shall give a little background with regard to our fisheries, which I am sure will be of interest and which I think is applicable in the approach to this bill.

We have in the province of Newfoundland about 12,000 fishermen who are fishing inshore in hundreds of fishing settlements. They did poorly last year in many of these areas. The fish did not strike in the accustomed quantities and they could not get the catch that they were prepared for. The honourable Leader of the Government (Hon. Mr. Aseltine) has said that the expenses of the farmer carry on each year even when he does not get a good crop. I would say that that is applicable to the fishermen to just as great a degree as to producers in any other industry. They have to prepare their boats, their gear, their equipment of one kind or another, and unless they have a pretty fair catch they will wind up sometimes without a cent or may, in fact, be deep in debt. So it is a great problem in these areas where they have low seasonal production.

Honourable senators, the average earnings of the inshore fisherman in this area in the past year was one-third less than in 1960. That is to say, the 12,000 fishermen I referred to had incomes estimated to be one-third less than they were in 1960, and 1960 was by no means a particularly good year. It was an average year.

This grant of $300,000, as stated by the Leader of the Government (Hon. Mr. Aseltine), and I would like to emphasize the fact, is not a handout of money. This is a grant to permit public works being undertaken in areas where the fishermen have done poorly in the past year and where they will be able to get some work to supplement their income.

With reference to the $80,000 which was referred to—and which I understand is to be paid 50-50 by the provincial and federal Governments—that will be of very little assistance to the fishermen in those poor areas. This money is to be applied to municipal works. This applies only in the larger places and not in the hundreds of small places where these fishermen are operating and where many of them have done so poorly.

Hon. Mr. Higgins: May I ask the honourable senator just one question: Was not the shortage of fish in 1961 caused in a large degree by the fact that the ice did not leave the shores along the whole east coast until late spring, that it stayed there until late May or June, with the result that the trap season was very short and the lobster fishing was bad on that account?

Hon. Mr. Pratt: Yes, that is what is generally thought. I do not know that that condition has really been defined as the cause of these shortages, but unquestionably the season was very late opening. The heavy ice drifts which occurred right up until the period when fishing commenced probably resulted in the temperature of the water greatly affecting the inflow of fish.

Now with that background as to the number of fishermen and the falling off in their catch, I would like to express the definite opinion that this appropriation is only a gesture. It is a small gesture and it will be useful in a very small degree to industry and the fishing population. As a matter of fact, taking into account the amount that will actually go in wages to the fishermen who are working, and taking into consideration the other expenses involved, such as materials and so forth, on the basis of the number of fishermen in the area it works out to about $20 a fisherman.

Hon. Mr. Barbour: Does the fisherman have to work for it?

Hon. Mr. Pratt: Oh, yes. This is not a handout at all. This is to permit of community work. As a matter of fact they found it very difficult to get their imagination working, to determine just what work they ought to do in such a short time.

Hon. Mr. Aseltine: Are you referring to inshore fishermen solely, the type that I spoke about, or are you referring to the whole fishing population of Newfoundland?

Hon. Mr. Pratt: To the inshore fishermen, decidedly.

Hon. Mr. Aseltine: Well, this is not designed to help all the fishermen. It is designed to help a few men along the coast who were not able to fish because the fish did not come to places they formerly did.

Hon. Mr. Pratt: Yes, but you really do not understand what that word means in this regard. Pardon me for putting it that way.

Hon. Mr. Aseltine: Are you talking about the whole 12,000 fishermen?

Hon. Mr. Pratt: There are many thousands of fishermen involved in this. There are approximately 12,000 inshore fishermen, and there has been only about two-thirds of the normal catch, so in total there are many thousands of fishermen affected in this whole area. It is not a case of just a few.

Hon. Mr. Aseltine: I thought you were referring to all the fishermen in Newfoundland.

Hon. Mr. Pratt: No; just the inshore fishermen.

Hon. Mr. Aseltine: There are 12,000?

Hon. Mr. Pratt: About that number.

Honourable senators, it is rather significant that while we have this appropriation for works which will give $300,000 to the fishermen, at the same time we are providing a $42 million appropriation for the farmers. I am not commenting on this agricultural grant at all, but I would say this, that in our Newfoundland fishery if we could find a name for "cod" that would sound like "wheat" I think our industry really would have a chance to prosper.

We have some very grave problems in the Newfoundland fishery, which industry is so important to the province. I have referred to the number of inshore fishermen, but there are, in fact, about 20,000 of our population engaged in the fishery, on the ocean, and including the comparatively small number who are working in the plants. The industry has an export yield of about $30 million to $35 million.

As it is getting late I shall not prolong my remarks. But I repeat that we are experiencing very severe competition in the industry, particularly relating to salt fish, which has really been the foundation of the industry.

We are situated near what is regarded as one of the greatest fishing areas in the world, the Grand Banks of Newfoundland, and the fish flow into our shores as well. It is recorded that in 1960 160 vessels came from Russia, some of them factory ships—they comprised a tremendous fleet of big boats. I was on board one factory ship, an immense vessel, the cost of which would run to millions of dollars. It is stated that there were 25,000 Russian fishermen on the Grand Banks, fishing off the Newfoundland waters and the adjacent areas. There were 50 vessels from Lithuania fishing in that area. We have direct competition from scores and scores of boats from Spain, Portugal and France, coming out to the Newfoundland waters, and they catch many times more ground fish than the Canadian fishermen do in the whole industry.

In Newfoundland we have had an upsurge in the production of frozen fillets, and this has been a valuable addition to our people's income in recent years. However, over the last ten years while the world production of fish has risen by 77 per cent and totals 34 million tons, the production of all types of fish for the whole of Canada during that period remained at about one million tons. This increase in world production has come about largely through scientific means of production and of preserving the fish.

What Newfoundland lacks and needs is diversified industry in the fishery. We need more modern methods of catching, and we

certainly need more diversification in the product which we turn out. This is a matter which deserves more federal assistance than is received.

I can only speak of Newfoundland, although the situation might well apply to many other parts of Canada. What is very badly needed is more application of industrial research to the industry. We need more co-operation between industry and Government research. Also, full use of the research can only be obtained by the Government assisting in the financing of research experiments and development in industrial plants. Let us not only catch more fish per fisherman by better methods, but let us turn out a product that is more acceptable to the consumer trade throughout the world. That is really the most useful pattern of assistance that we could have in our fishing industry. If that is done we will merely be copying what is done in the countries of the world that are most aggressive in this field.

I should like to emphasize the point that as far as Newfoundland is concerned we have very efficient fishing research being carried on in certain directions, but when it comes to putting the results of that research into industry we are lacking. It is in that field that the Government should actively participate to avoid wasting money on research that is not put to use.

Hon. Mr. Wall: Would the honourable senator permit a question?

Hon. Mr. Pratt: Yes.

Hon Mr. Wall: The honourable senator mentioned that there are 12,000 fishermen and that they are getting a grant-in-aid. I would like to emphasize that it is a works program. They are not just being given the money; they have to work for it.

Hon. Mr. Pratt: That is right.

Hon. Mr. Wall: They are getting $300,000 which divided by 12,000 makes about $25 per fisherman. If they were getting a comparable grant to that of the farmers you would have to multiply 12,000 by $200, more or less, and that would make about $2 million. But can the honourable senator tell us the approximate loss in their income, so that we can more readily compare these two figures and see just what is the relative assistance that is offered to the fishermen?

Hon. Mr. Pratt: You are asking about the loss as compared to the previous year in the industrial field, as referred to in the bill? I do not have the figure.

Hon. Mr. Wall: One-third does not tell us how much.

Hon. Mr. Pratt: One-third would probably be about $3 million.

Hon. Malcolm Hollett: Honourable senators, it is not my intention to take up much of your valuable time. However, I think I know something about the fisheries. I was born a fisherman. My forebears have been fishermen for generations past in Newfoundland, and they suffered all the handicaps, all the setbacks, "droughts," if you want to call them that, and storms. They knew hunger, as every fisherman did and, I dare say, as a good many farmers do even today.

The only thing that compels me to rise and say a few words is that I think the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), was casting a little ridicule on certain powers that be with regard to wheat. I did not notice that element in the speech of the honourable senator from St. John's West (Hon. Mr. Pratt) with regard to the fisheries. I do not think he would be capable of doing that sort of thing.

Another point upon which I wish to comment is that I have seen reported in the *Hansard* of the other place exactly what has been done here tonight. That is, so many dollars have been provided, $300,000, and you divide the total number of fishermen into the total number of dollars and get $25 a head. Is that the correct way to illustrate or prove what will be accomplished by this grant of $300,000? This is the first time I have ever known of an amount being voted by any Government to assist fishermen in this regard. You will notice that Vote No. 612 states:

FISHERIES

Special

> Contribution towards a special Newfoundland works program for fishing settlements that experienced income reduction resulting from decreased catches.

I repeat: ". . . for fishing settlements that experienced income reduction . . ." The vote does not stipulate that it is for 12,000 or 15,000 fishermen. Oh, no, because not one-tenth of our fishing settlements experienced that particular state where there was decreased income.

Hon. Mr. Pratt: I think you are wrong on that.

Hon. Mr. Hollett: The honourable senator may think what he likes, but let him produce the facts. We have at least 1,200 or 1,300 settlements, and in the old days a good many depended wholly on the fisheries. That is not so today. If we have 1,000 settlements today depending on the fisheries, I think that

is probably all we have. As I have said, not all of these settlements by any means experienced a decrease in income.

As honourable senators know, today if our fishermen catch enough fish to secure a certain number of stamps they will then receive the unemployment insurance for fishermen under that particular scheme. But, there are fishermen who, by reason of storm, by reason of the fact that the bait did not come into land, or by reason of the fact that there was no fish to follow any bait in certain areas, experienced a great loss of income, and will not receive that benefit.

It is my understanding, honourable senators, that the department of this Government concerned sent its own people down to inquire as to the areas which were affected by this lowered income and that, having gone all around the fishing settlements, they came to the conclusion that $300,000 would at least assist a good many fishermen who had not caught enough fish to get the necessary insurance stamps, and would enable them to carry along until the coming spring.

Hon. Mr. Pratt: May I ask the honourable senator whether it is his opinion that that same plan should be applied to the wheat growers?

Hon. Mr. Hollett: I know very little about wheat. I do not know whether the man who had a big crop of wheat last year is going to get the same amount as the man who did not have any crop. I have heard that stated by certain individuals, but I do not believe that is correct. However, I do know that inspectors were sent around the coast of Newfoundland, and that they came to the conclusion that $300,000 would be of great help. Certainly they did not come to the conclusion that it would be sufficient to give the fishermen plenty. There are other sources, of course. I doubt very much whether it is enough, but it is not for me to judge. It is, however, a sufficient amount to carry the fishermen safely away from a condition which amounts almost to starvation.

I just want to correct that misunderstanding, because I have heard members of another place rise to their feet and put up the same argument that unfortunately has been raised here, namely, that there are 15,000 fishermen and $300,000 divided among them means $20 each. That is not the idea at all. Let us be fair. Let us be fair to that department of Government which sent its inspectors down to Newfoundland. I am not saying the inspectors came to the right conclusion. They can make mistakes, and they may have made mistakes, and I certainly do not know whether $300,000 is going to take care of the situation. I would strongly suspect that it is not enough, but what people who suffer calamity in this world year after year ever receive enough to compensate them for the great losses they suffer?

Let us remember that $300,000, even to poor Newfoundlanders, is something, and it is something that we ought to be proud of. We ought to be proud that we in this country can contribute $300,000 towards the welfare of fishermen who work day by day in the face of danger and tragedy. Do not let us cast any ridicule upon it. Do not let us say that we have 15,000 fishermen—we have not 15,000 inshore fishermen. I can tell you, honourable senators, that we have not 12,000 inshore fishermen, although some will say that we have. I am sure that something will have to be done in the future for our inshore fishermen, not in the way of passing out $300,000, or $1 million or $2 million, but in an endeavour towards finding some way whereby they are better provided with the means to catch the fish and to market it. The honourable senator who spoke before me (Hon. Mr. Pratt) knows more about marketing than I do, so I shall not go into that subject.

I do say that we on this side of the house, at any rate, are very grateful for any assistance that can be given not only to the fishermen but also to the farmers, and it is my hope that the distribution of the amount stated in this bill will be properly made to those who are in need.

Hon. Cyrille Vaillancourt: Will the honourable senator permit me a question? Vote No. 611 is with respect to payments to western grain producers to be distributed to all farmers in the amount of $1 per acre up to a maximum of 200 acres. Vote 612 is for the fishermen, but it is only for fishing settlements that experienced income reduction resulting from decreased catches. Vote No. 611 is for all farmers. The farmer with the good crop gets the same as the farmer with the poor crop.

Hon. Jean-François Pouliot: Honourable senators, I did not want to interrupt—

The Hon. the Speaker: Is the honourable senator asking a question?

Hon. Mr. Pouliot: I have just a short remark.

The Hon. the Speaker: If the honourable senator does not wish to ask a question, the honourable senator from Churchill (Hon. Mr. Crerar) has the floor.

Hon. T. A. Crerar: Honourable senators, I can assure my honourable friend from De la Durantaye (Hon. Mr. Pouliot) that I shall not stand in his way very long in the remarks I am going to make to the house. I shall not talk about fish.

Hon. Mr. Brunt: Nor wheat.

Hon. Mr. Crerar: As a matter of fact, where I grew up I was very fortunate if I saw a fish once in two years.

Hon. Mr. Higgins: You should eat Newfoundland fish rather than talk about it.

Hon. Mr. Crerar: Nor am I going to talk about the sale of wheat to China, other than to make one observation. The Minister of Agriculture has been very diligent in selling wheat everywhere he can, especially to China. It makes one wonder who is really handling our wheat business. Is it the Wheat Board set up under legislation of this Parliament, or is it the Minister of Agriculture? Is he now in charge of the Wheat Board, directing its energies and its work?

With respect to this sale of wheat to China, for which my honourable friends opposite want to hang halos around the head of the Minister of Agriculture, may I observe that it is not very difficult for anyone to sell wheat to a starving people especially when it is given to them on a small down payment. That is what happened in this case. I really think, honourable senators, that I might be able to sell some wheat myself on that basis. The fact that we have sold wheat to a starving people when they were unable to pay for it certainly, in my understanding, does not require any great skill in salesmanship.

There are a few observations I want to make on this bill. The Honourable Leader of the Government (Hon. Mr. Aseltine) told us in his remarks this evening that the carry-over of wheat, or the supply of wheat, is now about 488 million bushels. May I ask him if that was at the end of July, or to what date does that figure apply?

Hon. Mr. Aseltine: That figure was given by the Extension Department of the University of Saskatchewan about three weeks ago, and I took it to mean that it was at that time.

Hon. Mr. Crerar: Maybe it is. It would be rather important to know if that was the total quantity at the end of the crop year, at the end of July, and that consequently the meagre crop which we had this year would not be included. However, I suspect that my honourable friend is right.

Hon. Mr. Aseltine: I think that figure includes everything we have now as at the end of the calendar year.

Hon. Mr. Crerar: That is what I understand. Well, 488 million bushels is a substantial quantity of grain.

Hon. Mr. Macdonald (Brantford): I think the Canadian representative to the recent United Nations Wheat Conference in Geneva stated the amount to be less than that.

Hon. Mr. Aseltine: It is approximately that amount.

Hon. Mr. Crerar: Geneva is a long distance away, and I am prepared to take the figures submitted tonight by the honourable Leader of the Government. Of this amount, if that is the total, I would surmise that probably there are still 300 million bushels in farmers' hands. That would allow 188 million bushels—

Hon. Mr. Aseltine: There are only about 100 million bushels in the farmers' hands.

Hon. Mr. Crerar: —for terminal elevators and country elevators.

Hon. Mr. Emerson: May I ask my honourable friend a question? You are saying that anybody can sell wheat to starving people. May I ask you why countries, other than Communist countries, are buying wheat from us now? What do they buy it for if not to eat? It is because they need it.

Hon. Mr. Crerar: Well, in reply I would merely say that that is elementary.

Hon. Mr. Emerson: It certainly is.

Hon. Mr. Crerar: Why does any nation, any country, buy wheat?

Hon. Mr. Emerson: And that is why the Chinese bought it too.

Hon. Mr. Crerar: They bought it because they needed it for food.

Hon. Mr. Emerson: That is why the Chinese bought it. They needed it. And we sold wheat to Poland on time, did we not?

Hon. Mr. Hugessen: Order!

The Hon. the Speaker: Order!

Hon. Mr. Crerar: My honourable friend should not get excited. I was not questioning the sale to China.

Hon. Mr. Emerson: Oh, yes.

Hon. Mr. Pearson: You were ridiculing it.

Hon. Mr. Crerar: All I was interested in was the rather extravagant praise being given to the Minister of Agriculture, pretending that he is a great salesman. It was in that connection I made the remark that no one needs to be a super salesman to sell wheat to starving people when you sell it to them on the basis of a small down payment.

Hon. Mr. Brunt: What about wheat sold for cash? Be fair about this. The initial sales of wheat were made for cash. There was no credit on the initial sales.

Hon. Mr. Crerar: Perhaps I have been misinformed.

Hon. Mr. Brunt: I am taking my information from the Canadian Wheat Board report.

Hon. Mr. Crerar: Perhaps the Chinese are paying cash for this wheat as they get it. Does my honourable friend say that?

Hon. Mr. Brunt: No, but I do say they did pay cash for the first wheat they bought from us, and when my honourable friend is finished speaking I shall put on record just how this wheat will be paid for.

Hon. Mr. Crerar: I do not quarrel with that. My honourable friends missed the point altogether. What I was commenting on was this super-ability of the Minister of Agriculture in selling wheat on time to a starving people. I do not know what quality of salesmanship my honourable friend from Hanover (Hon. Mr. Brunt) has but I suspect that even he could sell wheat under these conditions.

Hon. Mr. Horner: What is your authority for saying the Government is selling wheat to starving people? What do you know about that?

Hon. Mr. Crerar: My authority comes from people who have been to China and have reported upon it. There is no doubt about it.

Hon. Mr. Horner: You don't know anything about it.

Hon. Mr. Crerar: China was short of foreign exchange—

Hon. Mr. Horner: We will do better than did the former administration in getting certain boats paid for.

Hon. Mr. Crerar: Perhaps I better leave this subject. I think I have exhausted it. There is no doubt that this acreage payment for $42 million under this vote, as the honourable senator from Medicine Hat (Hon. Mr. Gershaw) pointed out, will be of value and benefit to a substantial number of farmers, and especially in the lower category that the honourable Leader of the Government spoke about. I submit, however, there are about 300 million bushels of wheat still in the hands of western farmers.

Hon. Mr. Aseltine: I question that. There are, I believe, about 100 million bushels in the farmers' hands and the rest is in the elevators and in transit. There is not nearly as much wheat in the farmers' hands as people think.

Hon. Mr. Crerar: I am taking my honourable friend's own figures, but I know what the total capacity of country elevators and terminal elevators is, and when I allow them 188 million bushels it is pretty near the limit, and the bulk of it is certainly in the farmers' hands. However, we shall get the figures.

Wheat farmers who have had anything held over have been fortunate. The manner in which the exchanges have worked has benefited those selling wheat, and the price today is about 20¢ a bushel higher than it was a year ago. That is all to the good so far as farmers are concerned, but while there is a substantial number to whom this acreage bonus payment will be of value, I do suggest there are many thousands who may have wheat on their farms and who really do not need this payment. I suspect that the honourable Leader of the Government may know of some cases in his own district where that holds true. The difficulty here, of course, is to distinguish between those who really need it and those who do not.

Hon. Mr. Thorvaldson: What about the old age pension?

Hon. Mr. Crerar: In order to please as many people as possible, the acreage payment is paid to everyone. That appears to be the principle upon which we discharge all our public obligations of this kind today. All I can say is that I regret that the honourable Leader of the Government did not give us an answer to the question I asked him as to how it was proposed to finance these estimates. I am not stating anything beyond the boundaries of fact when I say that there has been a substantial expansion in our money supply, more than the development of the economy required. Are we going to finance all these additional expenditures by taxes, by borrowing, or how?

Hon. Mr. Roebuck: By printing money.

Hon. Mr. Crerar: The Government should tell us how it proposes to finance these expenditures.

Reference has been made to butter. I do not know how much butter there is on hand, but I was told in Winnipeg recently by a well-informed person on the subject that at the end of the year the butter supply totalled about 200 million pounds. The honourable Leader on this side of the house (Hon. Mr. Macdonald) said it was about 177 million.

Hon. Mr. Macdonald (Brantford): I had the exact figure, 178 million.

Hon. Mr. Crerar: Why have we built up this huge surplus of butter? It is because the support price was maintained at 64 cents, during which time tens of thousands of people all over Canada, many of them farmers, were buying margarine, a good food, at half the

price of butter. It has been suggested in the press—I don't know what decision the Government has reached, if any—that the price to the consumer should be reduced to 50 cents in order to move this butter. What will happen then? Will there be a subsidy to the dairyman to make up to him the difference between the 50-cent and the 64-cent price he has been getting? These are things we should know.

In my old-fashioned way, I think these matters should be of supreme interest to Parliament. I make no bones about it—I think probably everyone is aware of it, and I need not state it again—that the road we are travelling is going to land us into trouble. In the fiscal year ending March 31 we have so far spent almost $7 billion. Where is it going to end? I think that is a question to which Parliament should be giving some consideration and, if honourable senators do not throw me out, I hope from time to time during this session to refer to it again.

Hon. Jean-François Pouliot: Honourable senators, I have listened carefully this evening, and I have learned a lot about fisheries, wheat, and various other matters, and while I listened to our honourable friend from Burin (Hon. Mr. Hollett) I was struck by one statement he made. He said, "I do not know anything about wheat". It is a profound error for anyone under this roof, and I am speaking of members of the House of Commons as well as of the Senate, to say that he does not know anything about this. That should never be said.

Hon. Mr. Hollett: I said I knew about Cream of Wheat.

Hon. Mr. Pouliot: You know about Cream of Wheat. It is a morning cereal. But I am speaking of the manipulation of wheat. However, there is something comforting: it is that during the past twenty minutes we have learned much, and in the future my honourable friend will not be able to say that he knows nothing.

Hon. R. B. Horner: Honourable senators, it is impossible for me to remain silent when wheat is talked about, and I feel I have a perfect right to rise whenever it is discussed in this house. I doubt if any man in this chamber, or indeed in Canada, has sown it, cut it by hand and bound it, more than I have done. I was cradled in the new land of the west, and even as a young fellow I could lay a straight swath, rake it up and tie it. For over fifty years I gained considerable experience in the growing and marketing of wheat in western Canada.

The honourable Leader of the Opposition (Hon. Mr. Macdonald) questioned the wisdom of making acreage payments to all farmers, but he admitted that it would be difficult to determine who should receive benefits, just as in the case of the old age pension. However, the position of the farmer in western Canada is quite different, because often a district which has a crop failure one year will have a good crop the following year.

The senator from St. John's West (Hon. Mr. Pratt) talked about fish in Newfoundland. Well, fish is not like a grain crop, which may blow right out of the ground, or seed grain which may blow away so that the farmer has to seed a second time.

Hon. Mr. Pratt: Fish do swim away, don't they?

Hon. Mr. Horner: I must confess I have little knowledge of fish, but I have a knowledge of wheat. I have ploughed with oxen, and I know what I am talking about.

The late Dr. W. R. Motherwell, who at one time was Minister of Agriculture in the Liberal Government and a member of Parliament for many years, often spoke in the house against his own party and his own cabinet. I believe it was in the session of 1936 that he came to me and said, "Horner, you are doing the best you can, but you cannot do anything about it; they are bound to rob the Wheat Board". He was speaking of the Wheat Board that was set up in 1935. I was very concerned about the Wheat Board, and the men who had the responsibility of disposing of our wheat. When I returned to the west in July I observed the crop failure that extended right across the prairies to Rosetown. While I was on the train I was reading reports about the work of the Government Wheat Board, boasting of the great job it was doing in selling wheat—100 million bushels sold, not at $1.90 but at 70 cents a bushel. At that time we were alarmed about a surplus. In Calgary, I was alarmed because I had been given an initial payment and expected to receive the balance as thousands of other farmers did. So I called up the Calgary *Herald*. I was in a very bad humour and I said, "Send a reporter over to the Palliser Hotel where I am staying and I will pay him to publish what I tell him." I suggested that wheat should sell for at least $1.12—that it was just being given away. Of course, the western papers all carried this statement. As a matter of fact, within about three months of that time, wheat did go up to $1.15 a bushel, but even then it was being virtually given away.

So far as surplus wheat is concerned, I think we should always carry a surplus for the hungry. Furthermore, we have learned a

lot since those days. We have learned that wheat is better food for cattle than corn, and that it yields better beef more quickly. We did not know that until a few years ago.

I do not think we need to hear any more about giving the Minister of Agriculture credit for the disposal of wheat. What is the story? First, on his journeys to other countries he went to Hong Kong and made the first sale for cash. Other sales were made at a reasonable price, and all commitments have been met so far.

What I am more interested in, however, is the fact that not only have we the best wheat in the world, but I think perhaps we have the best system of handling and grading. Our wheat is not being graded as high as formerly, but I think we should be satisfied if it is graded as the best in the world. I have no doubt that China found our wheat to be wonderful, as did Japan, and I hope the standard of our wheat will remain high.

When we speak of aiding the western farmer perhaps we should remember that in 1937, as I estimate it, $200 to $300 million was taken from them in that year by the injudicious operation of the Wheat Board, which was set up by the Government. If my honourable friends want to know more about it, they should go back to the record and read from Dr. Motherwell's speeches. I ask, what about the wheat agreement? It is estimated that we lost about $600 million in selling wheat at a guaranteed price to the British Government. So I fail to see where anyone now has a leg to stand on to complain that the western farmer is getting the few dollars we are voting here tonight.

Hon. George H. Barbour: Honourable senators, I do not think any honourable senator here is against paying this money to wheat growers in the West. In order to appreciate the problem one would have to personally experience the effects of the drought over that area and the losing of a crop. On the other hand, I think there are quite a number who do not agree with the way the payments are being made and to whom they are being made, but there is nothing for us to do but to vote for the measure.

Under the acreage plan that the honourable Leader of the Government (Hon. Mr. Aseltine) described, practically one-third of the farmers who stand to benefit have farms of less than 200 acres. I have heard it said that the small growers will benefit the most. Of that approximately one-third of the number of farmers, not one of them will receive over $200 even if they had no crop at all.

Then, honourable senators, there is the matter of the two-price system. Just why should we have a two-price system and why should Parliament be called upon every second year or oftener to pay $20 million or more to the western farmers for a two-price system. If the meaning of it is to give cheaper flour to the consumer, the consumers, I think, would just as soon pay for it when they get it instead of having the Government put through legislation to pay it. However, I am inclined to think it is more to lower the price of wheat that goes into milling flour that is to be sold for export to foreign countries, and I do not know just why we should do that. Those, honourable senators, are some comments on the matter as I see it.

Then, there is the way the payment is to be made: it does not take much thought to say, "We will pay it to the ones who have a permit to deliver wheat." If the people involved were greatly in need and there was any reason why payment should be made in a hurry at a certain time, you could easily press the button to make the payment.

Hon. William R. Brunt: Honourable senators, there is just one matter about which I would like to make a few remarks, and that is about the sale of wheat to the People's Republic of China.

I have in my hand the latest report of the Canadian Wheat Board, covering the crop year 1960-61, and in connection with the sale of wheat to the People's Republic of China this report states as follows:

> In January, 1961 a large sale was negotiated with the People's Republic of China; this sale comprised 750,000 long tons of wheat and 260,000 long tons of barley. Later a second firm sales contract was signed for 60,000 long tons of wheat for shipment from East Coast ports. These sales were for cash and the Board met the desire of the Peking Government for prompt shipment.
>
> In April, 1961, following negotiations in Hong Kong and Peking, a long-term agreement was entered into between the Board and an agency of the Peking Government. This agreement, covering the period from June 1, 1961 to December 31, 1963 was a declaration of intent on the part of the People's Republic of China to purchase and the board to supply a maximum of 5.0 million long tons of wheat and 1.0 million long tons of barley, with the actual quantities and prices to be decided by negotiation.
>
> Under the agreement a firm sales contract was then negotiated involving 750,000 long tons of wheat and 360,000 long tons of barley. In the negotiation of the latter contract a deferred payment arrangement was worked out whereby the

People's Republic of China agreed to pay 25 per cent in cash at the time of loading and the balance nine months thence.

So, honourable senators, the longest credit term that was given in connection with the sale of wheat to Red China was nine months.

The deferred payment provisions were possible because of an appropriate guarantee extended to the Board by the Government of Canada.

Hon. Mr. Macdonald (Brantford): Guaranteed by whom?

Hon. Mr. Brunt: By the Government of Canada.

On motion of Hon. Mr. Brunt, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 7, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATOR BARBOUR

TRIBUTES

Hon. Walter M. Aseltine: Honourable senators, we have lost yet another prominent member of the Senate, one who was a great personal friend of many of us. I refer to the Honourable George Hilton Barbour of Prince, Prince Edward Island, who passed quietly away in this chamber last evening.

The late senator was a valued personal friend of mine, and frequently during weekends, as neither of us was able to travel to his home province we used to get together and visit with each other. I would like to mention that I visited him last Sunday afternoon for a half hour or more, at which time he appeared to be in perfect health. George Barbour was a good conversationalist, and I enjoyed listening to him talking about his early days in Prince Edward Island, his business connections, his public and political life and other things. We had a very fine visit together. I know that I am going to miss him very much.

Senator Barbour was a prominent member of five standing committees of the Senate, including the Committee on Divorce. When I was chairman of that committee he sat at my left most of the time, and I could always depend upon his being there and being of great help to me.

The late senator was a very capable and successful businessman, and a public-minded citizen. From what he told me I gather that he had held nearly every important public position in the district in which he lived. Also, he was a deeply religious man. He had a great sense of humour and enjoyed doing things for other people. I never knew him to speak an unkind word to anyone. He lived a long, useful life and in my opinion he was a great Prince Edward Islander. In 1935 he became a member of the Prince Edward Island Legislature and held his seat until 1949 at which time he was appointed to the Senate. During his later years in the Legislature he was Minister of Public Works and Highways.

Few people knew that Senator Barbour was a keen sportsman. He was interested in curling, and also in harness-horse racing, a popular sport on the Island. At one time he owned some fine race horses.

His sudden passing yesterday evening was, I am sure, a shock to all honourable senators, as it was to me, and I wish to take this opportunity of expressing to his widow and family our sincere regrets and heartfelt sympathy.

Hon. W. Ross Macdonald: Honourable senators, our late colleague, the Honourable George Hilton Barbour, died as he had lived, faithful to his task. His passing in this chamber a few minutes after he had made a speech, and a good one, was indeed tragic, but there was also something beautiful about it. He died in the Senate chamber which, next to his own home, was the place he loved most and where, other than among his immediate family, he was surrounded by his closest friends. This was most evident last evening. Those sitting on this side of the house did not notice that he had suddenly become ill. However, the senator from Westmorland (Hon. Mr. Taylor), who sits on the other side of the aisle, saw him and rushed over to him. It was not long before two medical doctors in the house, Senators Sullivan and Gershaw, went to his aid. Senator Barbour was indeed among friends.

Honourable senators, no one could have been a more diligent member of this chamber, and no one could have had the interests of his fellowmen, particularly those of Prince Edward Island, more at heart than did Senator Barbour. A few months ago, his closest friend in this house, Senator Golding, passed away. The two were inseparable. Now we can think of them as together in the Great Beyond.

As the Leader of the Government (Hon. Mr. Aseltine) has said, Senator Barbour was a friendly man. He came to see me occasionally. In fact, he visited me the day before he passed away. We talked about conditions on the Island, and he was indeed optimistic about its future and of the immediate prospect of the undertakings in which he was so keenly interested. As we conversed together, he had the spirit, not of one who is about to reach a goal, but rather that of a young man who is about to embark on a great venture. He was never one who lived in the past. He lived in the present and for the future.

The sudden passing of Senator Barbour must have been a great shock to his loving wife who, with him, had been looking forward to celebrating their fifty-fifth wedding anniversary on April 24 next. To Mrs. Barbour, to their son and daughter, as well as to all those who were near and dear to the

senator, I join with the Leader of the Government (Hon. Mr. Aseltine) in expressing deep sympathy.

Hon. T. A. Crerar: Honourable senators, in our journey through this vale of tears, at times we encounter events that stamp themselves indelibly upon our memory. Last evening such an event occurred in this chamber. Senator Barbour delivered a short speech during the debate going on at that time, and some points he made are worth pondering upon. A few minutes later he sank back in his chair and crossed the border that divides our sojourn in this life from the shadows of eternity.

One could not know Senator Barbour without being impressed with the qualities of his character. He had no vanity. I cannot recall anyone I have ever known who had less of the weakness of vanity than did Senator Barbour. He was marked by sincerity—a sincere friend, a sincere defender of those things that he believed in. He was remarkable for great kindliness. He was a good neighbour and above all he had the great virtue of humility.

All of us I am sure have read at some time the Sermon on the Mount by the founder of our Christian faith. It will be noted that in that sermon emphasis is placed on the qualities so evident in Senator Barbour's character.

We shall all miss him; but today in a special way our thoughts go out to the helpmate who journeyed for more than 50 years down the pathway of life with him. To her we extend our deepest sympathy. To his family who looked to him for advice and counsel, we equally must extend our sympathy.

In the passing of Senator Barbour, we have lost a colleague who was a fine gentleman, a generous and a humble character, and my association with him over the past twelve years in this house has left me with memories that shall last so long as life itself.

Hon. John J. MacDonald: Honourable senators, this is not the first occasion on which I have felt compelled to rise to pay tribute to a departed senator. On this occasion I am deeply grieved on the passing of a colleague from my native, Island province, and one whose office was only a door away from mine.

Senator Barbour and I had a lot in common, and in our spare time we used to traffic back and forth and reminisce about old times and other things. It seems strange to me now that for the last three mornings on his way up to his office—I happened to be in ahead of him—he rapped on my door and came in and sat down, saying, "I am not going to mess up your carpet". We would sit there and wisecrack for a while with each other and then he would say, "I must go to my own office and get to work".

Senator Barbour had a distinguished career. He was a man who could be trusted with any responsibility, and I am sure he carried responsibilities, from his early life right up to the end. He was admired by everybody. Oh, it is true, he was a Liberal in politics, but he was also a gentleman in politics. His judgment was good, and he carried out his duties to the satisfaction of everyone.

I regret his passing very much and I shall sadly miss him. His late deskmate, Senator Golding, was a close personal friend of mine, and I often went to his office and spent a few minutes there. I admired him too. Both of these gentlemen Divine Providence called suddenly.

I want to associate myself with the remarks of the honourable Leader of the Government (Hon. Mr. Aseltine), the honourable Leader of the Opposition (Hon. Mr. Macdonald), and the honourable senator from Churchill (Hon. Mr. Crerar), in extending to his good wife, whom I always call Carrie, to his son and to his daughter, my deepest sympathy.

Hon. F. Elsie Inman: Honourable senators, Senator Barbour has gone. He has been called to a higher appointment. This chamber has lost a member whose wisdom and integrity were well known and respected by us all. His political experience was a great contribution to the deliberations of this chamber. His judgment was ever reliable and sound, and was highly valued in the various committees of the Senate.

Senator Barbour exemplified the best qualities of manhood, and whenever and wherever his name was mentioned he was spoken of most highly. Prince Edward Island can well be proud of this native son.

To his widow, his son and his daughter, I wish to join with the other members of this chamber in extending my deepest sympathy.

Hon. Arthur W. Roebuck: Honourable senators, I can add very little to the eloquent and sincere tributes that have been paid to the character of Senator Barbour, but as Chairman of the Standing Committee on Divorce, of which committee he was so long a devoted member, I should like to express on behalf of myself and all the other members our regret at the tragic event that occurred in this chamber yesterday.

I believe I was the last one to hold a little private conversation with Senator Barbour. As I came into the chamber last night I met him and noted the pallor of his face. I sat down beside him and told him that we missed him downstairs in the committee room. He

had not attended the committee hearings for the past two days, which was something very unusual for him. He and the late Senator Golding were the two most faithful attendants to the work of that committee. Senator Barbour told me that he had been at home, where there was work to be done, and he mentioned what it was. I replied that I hoped I would meet him in the morning, and then moved on.

Shortly afterwards—and he must have been ill at the time—he made the speech that has been referred to and which appears in the Senate *Hansard* today. A few minutes after that he breathed his last.

There is something to be said for a sudden departure of that kind. It is an easy way out, but it is a terrible shock to those who remain. It was indeed a shock to us all in this chamber last night.

I join with the other honourable senators who have expressed their sympathy to the family, and I do so on behalf of all the members of the Standing Committee on Divorce. We sincerely regret his passing and will always remember his good judgment, his kindly attitude, and the constant attention and devotion that he gave to his work. We join with all others in expressing our sympathy to Senator Barbour's family and our regret at his passing.

Hon. John J. Kinley: Honourable senators, I should like to add a word by way of tribute to the late Senator Barbour; and I should like to remark that coming from the Maritimes I feel very grateful for the tributes which have been paid by the honourable leaders in this house.

In the Maritimes we are a little clannish—there being few of us—and we appreciate anything that is said about our friends and their virtues.

Mrs. Kinley and I were associating with Senator Barbour and his wife last week, and when I left for home at the weekend we planned to meet again this week but, unfortunately, that will not be.

I came up to Ottawa on the plane this morning with Senator Barbour's daughter and his son's wife. They are here in Ottawa with his widow, and are taking the body home this afternoon.

Senator Barbour enjoyed a great length of days. He always appeared to be a man much younger than his years. He had a fine physique and an alert mind, and looked like one who was growing older gracefully. I believe we all considered him a fine example of the older men of this country who carry their looks and their dignity to the end.

Recently I asked him why he was not in attendance at the hearings of the Divorce Committee, and he said, "Well, I had to do some work for our friends in Prince Edward Island." I do not know what that work was, but I am sure it was well done.

Senator Barbour had a great deal of common sense, that virtue which is not as common as some people think, and he had a fine record of public service. He was a good farmer, a fine sportsman, and a good civil servant. He was four times elected to the Legislature of the province of Prince Edward Island, and was a competent Minister of Public Works and Highways. We expected that he would be with us for a long time, but now he has gone. We never know what is going to happen.

I am sure our sympathies and our affections go out to his wife and family on his sudden passing. It is a time of sorrow for them all. In their sorrow I feel they can have justifiable pride and get comfort from his fine record. Their memories of him will be as pure, clear, and radiant as the waters of a mountain stream. His family have an abiding faith, and in his last journey they will know that his calling and election is sure.

Hon. William M. Wall: Honourable senators, in rising to pay tribute to the late Senator Barbour I, too, appreciated, honoured, and was influenced by the quiet and unassuming dignity of this very humane man, gentility and the nobility of character of an experienced and devoted public servant. He had the kindness of heart and the sincerity of purpose which distinguished him and which set him apart as a fine Christian gentleman and an exceptionally fine Canadian citizen. We shall miss him, and we shall pray for him and for those he left behind.

Hon. A. K. Hugessen: Honourable senators, we are met this afternoon under the shadow of the tragedy which took place in this chamber yesterday evening. We were brought very close to the thought which pervades that pregnant statement once made by the great John Bright in the English House of Commons, when he said:

> The Angel of Death has been abroad throughout the land:
> You may almost hear the beating of his wings.

We deeply regret the passing of our late colleague, and all of us join in sending condolences to his widow and family. And, yet, honourable senators, if we examine into our own hearts I think all of us would agree that when we come to die, as we all will, we would prefer to die in the way in which our honourable colleague died yesterday evening—instantly, at his post of duty, without a moment of pain. Not for him was that

which we see so often in our older friends, that long, slow descent into illness, that gradual decrease of faculties, terminating, perhaps after months of pain and sorrow, in the end.

What happened yesterday evening in this chamber will, I am sure, remain always in our memories, and it will bring back to us very vividly that famous sentence that Edmund Burke used in his great address to the electors of Bristol when he said:

> Gentlemen... what shadows we are, and what shadows we pursue.

The Hon. the Speaker: Honourable senators, in conclusion to these very eloquent and beautiful words of eulogy, and in honour and remembrance of our departed friend, I ask you to rise in your places for a few moments of silence and prayer.

Honourable senators stood in silence.

OLD AGE SECURITY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-54, to amend the Old Age Security Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate, I move that this bill be placed on the Order Paper for second reading at the next sitting.

Hon. Mr. Macdonald (Brantford): Agreed.

Motion agreed to.

DOCUMENTS TABLED

Hon. Walter M. Aseltine: Honourable senators, I have a large number of documents to table today. They cover at least three typewritten pages, and I hope I will be excused from reading this list, which will appear in *Hansard* and in the *Minutes of the Proceedings* of today.

Hon. Mr. Macdonald (Brantford): Agreed.

The following documents were tabled:

Copies of diplomatic instruments (English and French texts), as follows:

Exchange of notes between the Government of Canada and the Government of the United States of America concerning the disposal of excess United States property in Canada. Signed at Ottawa, August 28 and September 1, 1961. Entered into force September 1, 1961.

Arrangement between the Government of Canada and the Government of Japan regarding settlement of certain Canadian claims. Signed at Tokyo, September 5, 1961. Entered into force September 5, 1961.

Exchange of notes between the Government of Canada and the Government of the United States of America concerning the addition of Cape Dyer to the annex of the agreement of May 1, 1959, relating to Short Range Tactical Air Navigation (TACAN) facilities in Canada. Signed at Ottawa, September 19 and 23, 1961. Entered into force September 23, 1961.

Exchange of notes between the Government of Canada and the Government of the United States of America concerning cost-sharing and related arrangements with respect to planned improvements in the continental air defence system (with annex). Signed at Ottawa, September 27, 1961. Entered into force September 27, 1961.

Exchange of notes between the Government of Canada and the Government of the United States of America to amend the notes of November 12, 1953 concerning establishment of a joint Canada-U.S.A. Committee on Trade and Economic Affairs. Signed at Washington, October 2, 1961. Entered into force October 2, 1961.

Arrangement regarding international trade in cotton textiles. Done at Geneva July 21, 1961. Accepted by Canada September 22, 1961. Entered into force October 1, 1961.

Exchange of notes between the Government of Canada and the Government of the United States of America concerning dredging in the Wolfe Island Cut to improve an existing shipping channel. Signed at Ottawa, October 17, 1961. Entered into force October 17, 1961.

Exchange of notes between the Government of Canada and the Government of the United States of America concerning dredging in Pelee Passage at the western end of Lake Erie. Signed at Ottawa, June 8, 1959 and October 17, 1961. Entered into force October 17, 1961.

Exchange of notes between the Government of Canada and the Government of Switzerland bringing into force the agreement for air services between the two countries signed at Berne, January 10, 1958. Signed at Ottawa, November 9, 1961. Entered into force November 9, 1961.

Exchange of notes between the Government of Canada and the Government of Venezuela constituting an agreement permitting amateur radio stations of Canada and Venezuela to exchange messages or other communications from or to third parties. Signed at Caracas, November 22, 1961. Entered into force November 22, 1961.

Agreement between the Government of Canada and the Government of the United Mexican States concerning air services. Signed at Mexico, December 21, 1961. Provisionally in force December 21, 1961.

Report of the Superintendent of Insurance for Canada—Small Loans Companies and Money-Lenders licensed under the Small Loans Act, for the year ended December 31, 1960. (English text).

Order in Council P.C. 1962-123, dated January 30, 1962, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by RCA Victor Company, Ltd., Montreal, of telecommunications equipment and related services to the Government of the Republic of Liberia, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended by chapter 33 of the statutes of 1960-61. (English text).

Report on activities under the Prairie Farm Assistance Act for the crop year ended July 31, 1961, pursuant to section 12 of the said act, chapter 213, R.S.C. 1952. (French text).

Report of the Canadian Wheat Board for the crop year ended July 31, 1961, certified by the auditors, pursuant to section 7(2) of the Canadian Wheat Board Act, chapter 44, R.S.C. 1952. (English text).

Annual Report of the Commissioner of Penitentiaries for the fiscal year ended March 31, 1961, pursuant to section 14 of the Penitentiary Act, chapter 206, R.S.C. 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 43, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

CHANGE IN COMMITTEE MEMBERSHIP

Hon. Arthur L. Beaubien, with leave of the Senate, moved:

That the name of the Honourable Senator Smith (Kamloops) be added to the list of senators serving on the Standing Committee on Divorce.

Motion agreed to.

APPROPRIATION BILL NO. 1, 1962

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine for the second reading of Bill C-51, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Hon. Walter M. Aseltine: Honourable senators, when we adjourned suddenly last evening we were dealing with the supplementary estimates, and at that time I thought the debate was almost completed and that we would have second reading. The honourable senator from Hanover (Hon. Mr. Brunt) was speaking at the time, and he has still a few remarks to make. I am going to ask that the calling of motions be postponed until immediately following this order. At that time I shall ask leave to revert to motions.

Hon. Mr. Macdonald (Brantford): Honourable senators, before that is agreed to may I ask the honourable Leader of the Government (Hon. Mr. Aseltine) if it is his intention to have royal assent tonight after this bill receives third reading?

Hon. Mr. Aseltine: That is the plan, if we can complete the work.

Hon. Mr. Macdonald (Brantford): Agreed.

Hon. William R. Brunt: Honourable senators will recall that when we adjourned last evening I was quoting from the Crop Year Report of the Canadian Wheat Board for the year 1960-61, and I had outlined the credit terms which the Wheat Board had extended to the People's Republic of China after first having received a guarantee from the Government of Canada. I would like now to continue the quotation, which is as follows:

> Later another firm sales contract, involving 160,000 long tons of wheat for shipment from St. Lawrence ports, was negotiated; the deferred payment basis again applying.

That is, on this contract the People's Republic of China paid 25 per cent cash and the balance in nine months.

> The foregoing firm sales contracts involved a total of 64.2 million bushels of wheat and 28.9 million bushels of barley, of which 38.1 million bushels of wheat and 19.8 million bushels of barley were exported by July 31, 1961.

In addition to these sales which were made to China, I should like to point out that the U.S.S.R. purchased 7.5 million bushels of wheat for shipment from Pacific coast ports. Later, Czechoslovakia purchased 12.1 million bushels and Poland 7.1 million bushels. Shipments to the U.S.S.R. and Czechoslovakia were completed by the end of the crop year, while the shipments to Poland extended beyond July 31, 1961.

Hon. Mr. Reid: May I interrupt my honourable friend to ask a question? Did the last three countries named, including Russia, pay cash for the wheat they received or did they purchase it by deferred payments?

Hon. Mr. Brunt: With the exception of Poland, I understand cash was paid. Credit terms were extended to Poland, but at this time I am not aware what the credit terms were.

I should also like to call to the attention of honourable senators the general increase which has taken place in the export of wheat and flour from this country between the year ending July 31, 1960, and the year ending July 31, 1961. I do not propose to burden the house with detailed statistics and figures but I should like to point out that for that period the increase in our exports to Europe amounted to approximately 57 million bushels, and the increase in our exports to Asia amounted to over 37 million bushels. In order to be perfectly fair I would also point out that our exports to the Union of South Africa decreased by 7 million bushels due to the fact that that country did not purchase any wheat from us during the last crop year, whereas in the previous crop year that country purchased almost 7 million bushels from Canada.

Hon. Mr. Reid: Have you the figures for Great Britain?

Hon. Mr. Brunt: During the crop year 1959-60—I shall just give round figures—the United Kingdom purchased 93 million bushels from us, whereas during the crop year 1960-61 she purchased 91 million bushels. We also find that our exports to Central America and the Caribbean area increased. On the overall picture one finds that for the crop year 1959-60 we exported 277 million bushels of wheat, and for the crop year ending July 31, 1961, we exported 353 million bushels; in other words, the increase in exports of wheat amounted to over 86 million bushels.

Hon. Mr. Macdonald (Brantford): Has the honourable gentleman any figures showing the proportion of that increase which went to Communist China?

Hon. Mr. Brunt: Yes. The increase that went to Communist China was just over 34 million bushels.

Hon. Mr. Reid: Has the honourable senator any figures relating to the carryover?

Hon. Mr. Brunt: I shall come to that in due course. I think this is a remarkable record and the Government deserves great credit for increasing our sales of wheat and our exports of wheat.

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman, so that we may get a true picture of the Wheat Board's sales to the communist countries, if he would be good enough to table the agreement entered into between Communist China and the Canadian Wheat Board?

Hon. Mr. Brunt: No, I cannot table it.

Hon. Mr. Macdonald (Brantford): Why not?

Hon. Mr. Brunt: I do not have it.

Hon. Mr. Macdonald (Brantford): But you were telling us what it contained, in part.

Hon. Mr. Brunt: That is right, but I quoted from a report published by a Government board, the Canadian Wheat Board. This report does not contain the agreement. I have not got the agreement and therefore I cannot table it.

Hon. Mr. Macdonald (Brantford): Well, if my honourable friend can get a report in part, why can he not get the agreement and tell us the whole story? Is he hiding something? Is the Government hiding something? Why does not the Government tell us the terms on which this wheat is being sold?

Hon. Mr. Brunt: I have given the terms.

Hon. Mr. Macdonald (Brantford): Oh, you have given us some statement.

Hon. Mr. Brunt: Then I take it the honourable Leader of the Opposition is not prepared to accept the statement of the Canadian Wheat Board.

Hon. Mr. Macdonald (Brantford): I do not accept it as a complete statement. I accept it merely as a partial statement. Why cannot the honourable gentleman and the Government be fair with us and put the agreement on the table so we can see it?

Hon. Mr. Roebuck: We are entitled to the best evidence.

Hon. Mr. Macdonald (Brantford): My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has said that we are entitled to the best evidence.

Hon. Mr. Brunt: Put a request on the Order Paper if you want the agreement produced.

Hon. Mr. Macdonald (Brantford): I am asking the honourable Leader of the Government (Hon. Mr. Aseltine) now to produce the agreement and put it on the table or else we will be suspicious that something is being hidden.

Hon. Mr. Horner: You would be suspicious anyway.

Hon. Mr. Brunt: I think you would be suspicious no matter what I said or did.

Hon. Mr. Macdonald (Brantford): Oh, no. Just show us the agreement.

Hon. Mr. Brunt: My honourable friend, the Leader of the Opposition, has expressed some concern, and I am not being critical of him for doing so, about the carryover of wheat diminishing rather rapidly and that perhaps we were selling our wheat too quickly. I am one of those who believe in Mother Nature, and I think the table which has been published by the Canadian Wheat Board justifies this belief.

I would call to your attention that for the crop year 1937-38 the carryover was reduced to—and I shall again give round figures—24 million bushels. It immediately started to increase, and by 1942-43 the carryover had gone up to 594 million bushels. Then it started to decrease once again, and by July 31, 1946 it had been reduced to 73 million bushels. Once again the carryover commenced to increase, and by 1956-57 the carryover had reached the figure of 733 million bushels. Since 1956-57 the carryover has decreased annually so that at the end of the last crop year, namely, July 31, 1961, it had been reduced to 524 million bushels of grain. I feel that the carryover can go considerably below this figure before we have anything about which to worry.

There is just one other thing I wish to mention. I believe the honourable senator from Churchill (Hon. Mr. Crerar) had some concern as to the amount of wheat that was in the farmers' hands on July 31 of last year. The figures which have been furnished to me are to the effect that on that date the farmers had in their granaries slightly over 89 million bushels of wheat. There was a carryover at that time of 435 million bushels, and the crop at that date for last year was estimated to be 261 million bushels of wheat. So the total visible supply at that time, including the crop which was growing, was 786 million bushels of wheat.

Honourable senators will realize that that is a lot of wheat, and I am sure they will agree with me when I say that we hope the Government will continue in its efforts to sell wheat so that the carryover may be reduced to an even smaller figure.

Hon. William M. Wall: Honourable senators, if it is not the intention to refer this legislation to our appropriate standing committee, then before third reading is given I should like to make a few related observations which the honourable Leader of the Government (Hon. Mr. Aseltine) may wish to comment upon, along with any other remarks he may make before the bill is finally passed.

I believe it is proper and correct for the national economy as a whole that each Canadian should shoulder the burden of bringing aid to those sectors of our economy or to those geographic regions which are faced with serious economic hardships or dislocations because of the hazards of nature, because of technological or other production changes, because of changes in trading policies, and so on. And as has already been commented upon in this debate, the amount or relative level of this assistance must be reasonably adequate, but it can never really cover the losses which are experienced by those most directly concerned—in our specific case here, the grain producers in the Prairie provinces, or the fishermen in Newfoundland.

Before I address myself to the problem of how this aid is being distributed, I believe that we should keep in focus the problem raised by the honourable member from Churchill (Hon. Mr. Crerar) that this additional $82,390,000 will be added to the budgetary deficit previously forecast at some $650 million. This means that during the present fiscal year we shall be short some $730 million for current day-to-day living expenses which we should theoretically try to pay from our current revenues.

Additional legislation already forecast in the Speech from the Throne and educated guesses as to the additional current costs involved run to about $300 million, or roughly equal to the additional revenues which will flow to the federal Government from an increase in our Gross National Product of between 6 to 7 per cent. This additional legislation appears to indicate that we shall have another whopping budgetary deficit of about the same size as this year's for the coming fiscal year. This brings into sharper focus our serious fiscal and monetary problems at a time when we are told that the Canadian economy is doing very well indeed, which to me means that we should at least be able to pay for our ordinary living expenses out of the current national revenues, rather than pushing this burden off as a charge upon the income of Canadians in the future.

Now, what bothers me about Vote 611 is not the amount of the vote, which may be reasonable and fair under our present economic circumstances, but the way the money as appropriated will be distributed

among the western grain producers. I agree with the honourable senator from Medicine Hat (Hon. Mr. Gershaw) that the basic weakness in the distribution formula is—and I am coining my own phrase—a kind of a "shotgun approach", because we do not differentiate between and among the western grain producers, as the Speech from the Throne would have us believe we would differentiate, so that those producers who actually did suffer from drought—and drought was the word used—would get help, and more effective help than is possible when we divide the "kitty" among all western grain producers without any differentiation.

I am not convinced that we could not work out a more effective distribution formula; and I am perturbed by the answer I give myself to this question. I know a lot of farmers, and I know a lot of regions in Manitoba, regions where there were poor crops and regions where there were good crops, and so I ask myself this question: Why should a western grain producer who did have a normal harvest get this assistance?

Are the organizations which represent the agricultural community in western Canada satisfied with this acreage payment distribution formula, and how does this aid compare to and square with the aid to producers in other sections of Canada—I am talking about agriculture—which are also subjected to the hazards of nature? In western Canada we have the P.F.A.A. and this acreage payment. What about farmers in other parts of Canada? Do they have similar aid advantages or support programs, and are these comprehensive and reasonably equitable to farmers, irrespective of the province they live in? And are these aid programs of what we may term a "crop insurance nature" here geared to meet assessed and demonstrable and measurable needs or losses, or do we give aid to all producers on a kind of indiscriminate basis, as Vote 611 provides? What about the comprehensive and contributory crop insurance plan for all agricultural producers wherever they may live in Canada?

But we were told that this acreage payment principle is to meet another basic need and purpose. It has been described to us as a means of reimbursing western grain producers for some of the loss of income which comes from the fact that we do not have a two-price system. If that is so, honourable senators, then I have a right to ask these two questions: first, why then were no acreage payments made in 1959 and 1961? Certainly during those two years, too, our western grain producers suffered income losses because there was no two-price system. Secondly, if this is so, and we are now attempting a roundabout method at meeting the demands of the producers for a two-price system, can we take it that similar acreage payments will be made in the succeeding years even if there is no drought or income loss from the hazards of nature?

We might remember in the context of this discussion that the latest Dominion Bureau of Statistics figures for farm cash income seem to indicate that with the annual average of 674,000 persons employed in agriculture in 1961, the cash income of Canadian farmers for that year reached an all time high of $2.9 billion higher than in 1952, when the average annual number of persons employed in agriculture was 891,000, some 220,000 more than in 1961; and this $2.9 billion does not include approximately $36 million, which is going to be paid out to the farmers under the P.F.A.A. The figures for the various provinces are rather interesting because they show that there has been an increase in income in each of the western provinces as compared with 1960.

Vote 612 still perturbs me, because I am not convinced that the sum of $300,000 will go far to meet the apparent loss of income suffered by what is estimated to be 12,000 inshore fishermen. We were told by one honourable senator that there was an income loss of one-third, or somewhere in the neighbourhood of $3 million, and this $300,000 bears a percentage relationship to this loss by Canadians, whose average annual income, in very modest terms, is certainly not very high. It would have been interesting and reassuring to me if we could have heard from representatives of the Department of Fisheries, preferably before a committee examining this bill, to see how reasonable this sum total is in relation to the assessed need and how this aid will in fact be distributed.

Now I come to Vote 614, the one about the winter works program. I understand that last year at a cost to the federal Government of $35,923,000, we provided work for 121,197 people for a total of 5,150,405 man days of work. If we divide these 5 million man days into the sum of $36 million, we find that a man's day of work was provided at a cost to the federal treasury of slightly more than $7. Of course, this is only half the total cost of a man's day of work, for the provincial or local authorities contribute the other half. Then somewhere I noted—and I do not know whether this is entirely correct or not—that this year a total cost of $66 million was apparently going to provide roughly 111,200 jobs for 4,743,000 man days. If you divide that into the amount of money, you also come out with a figure of a little better than $14 per

day. Whether these estimates are valid or not is something that I cannot now ask in committee.

So we are making progress, but it is interesting, honourable senators, to note that the average amount of work provided to these people is between eight and nine weeks, and the period during which this winter works program runs, I think, started this year in October, and is to end some time in May. So eight or nine weeks out of a long period like that is not very much work.

Now, honourable senators, I should like to read into the record at this point the interesting comments of Mr. Michael Barkway which appeared in the Ottawa *Citizen* of Friday, February 2, under the title, "Jobless Benefits Spoil Advantage of Winter Works." Because I shall not have an opportunity to ask about this problem in committee, I want to bring it to your attention now.

After commenting on the fact that in the last two years the federal Government has paid over $100 million to approximately 440,000 persons who qualified as seasonally unemployed, and commenting upon the terrific drop in the assets of the Unemployment Insurance Fund, Mr. Barkway writes as follows:

> But this $40,000,000 program and all the other efforts to reduce winter unemployment, have been completely frustrated by the indiscriminate extension of seasonal benefits.
>
> They put to work barely half as many people as the $100,000,000 of seasonal benefits keeps away from work.
>
> The authorities agree almost unanimously with the comment of one labor expert, who has been associated with winter work campaigns from their very beginning back in 1953.
>
> 'For every step forward we have made,' he said bitterly, 'seasonal benefits have pushed us two steps backward.'
>
> More than a year ago Government officials had complete studies showing what had to be done to stop squandering the resources of the Unemployment Insurance Fund and to put it back on a sound basis.
>
> It is not the taxpayers who are being cheated—yet.

The Hon. the Speaker: What is the honourable senator reading from?

Hon. Mr. Wall: An article that appeared in the Ottawa *Citizen*.

The Hon. the Speaker: Is it a lengthy article?

Hon. Mr. Wall: I am almost finished reading the part I want to read.

I continue reading:

> It is not the taxpayers who are being cheated—yet. As taxpayers, we start picking up the tab only when the fund's $900,000,000 has been completely exhausted a month or two hence.
>
> The Canadians who have been cheated for these last five years are the employers and workers who have been paying their regular contributions into the fund on the promise of definite, specified benefits.

Hon. Mr. Thorvaldson: May I ask the honourable gentleman a question? I take it that these are the words of some author. Does he believe that Canadians have been cheated, or is he just reading this into the record with the word "cheated" in there?

Hon. Mr. Wall: I am reading it into the record because I wanted to ask questions about this particular problem.

Hon. Mr. Thorvaldson: Do you believe that Canadians have been cheated?

Hon. Mr. Wall: You want to know whether I am adopting these words as my own?

Hon. Mr. Thorvaldson: Yes. Are you adopting these words as your own? That is my question.

Hon. Mr. Aseltine: Under the rules of the Senate you are not allowed to read that at all.

The Hon. the Speaker: Honourable senators, generally speaking, members of the Senate are here to give their own opinions on subjects and matters under debate, and not to read speeches and opinions of others, because we cannot cross-examine or question those persons on their words. An honourable senator who wishes to quote from an article should not do so to any length, and he should adopt the opinions that he reads as his own, and give them in his own language.

Therefore my ruling is—and I think I will be upheld by honourable senators who perhaps have more experience than I—that reading of long speeches and editorials is not generally allowed, because a member of Parliament, whether in the other place or here, should give his own opinion on matters and not those of other persons who have nothing to do with the Senate.

Hon. Mr. Wall: I shall desist from reading anything more into the record.

Hon. Mr. Thorvaldson: Might we have an answer to the question I asked?

Hon. Mr. Wall: Yes, with the comment, that I would not use the word "cheated".

Hon. Mr. Thorvaldson: Why did you use it then?

Hon. Mr. Wall: But I would say that I, like other Canadians, am very concerned about the effect, namely, that the contributions which have been brought into the fund on one set of rules have been diluted and used after the rules have been changed. In other words, there has been a problem created, and seasonal payments have been thus depleting the Unemployment Insurance Fund. This problem has in fact been met at the expense of the contributors into this fund, that is, at the expense of the employers and employees who have been contributing. In my judgement the proper way to have allocated this burden would have been to place it on the Canadian people as a whole, that is, on the public treasury.

I was very interested in the information given in the table which honourable senators will find on page 59 of yesterday's *Hansard* in which were listed the various projects which are already part of the winter works program. We are told how much they amounted to. You can add them up, to find how much the federal contribution would be, and in which provinces these projects are being undertaken.

I thought that it might be interesting to honourable senators if I made an extension of this table. So I have prepared another table which gives the relationships of these projects to the personal income. In it I have used the latest available personal income figures for 1960 for Canada as distributed on a percentage basis to the population as of March 1961, and the unemployment as a percentage of the total labour force as of December 9, 1961—that, too, is the latest available figure. Then I have taken these projects, added up the total, and I have made a percentage distribution of these items. In British Columbia, for example, there are projects now amounting to $27.5 million, of which the federal contribution is $4.2 million. The total projects amount to $256 million. This works out to 10.8 per cent; and the federal contribution to British Columbia of $4.2 million, out of a total of $32,435,000, works out to 12.9 per cent.

I have made percentage relationships to the personal income, the population, the unemployment level, and the projects, to see how those things fit, and I have come up with very interesting generalizations which point up certain problems.

For example, the people of Newfoundland get 1.4 per cent of the total personal income of Canada. The population of Newfoundland is 2.6 per cent of the total population of Canada. But in Newfoundland 19.0 per cent of the total labour force is unemployed. The projects there amount to $3.5 million, as found on page 59 of yesterday's *Hansard,* which is 1.4 per cent of the total projects, and the amount to be spent by the federal treasury amounts to 1.2 per cent of the total to be spent.

I should like permission to place this table on record, so that honourable senators can examine it and draw whatever conclusions they wish.

Personal Income 1960 (1960)		Population (March 1961)	Unemployment as % of Total Labour Force (Dec. 9, 1961)		Projects Total 256 million		Federal Contribution
					(in millions)		
Nfld.	1.4%	2.6%	Nfld.	19.0%	$ 3.5	(1.4%)	1.2%
P.E.I.	.4%	.6%	P.E.I.	8.7%	.804	(.3%)	.3%
N.S.	3.1%	4.0%	N.S.		1.4	(.6%)	.5%
N.B.	2.3%	3.4%	N.B.		3.3	(1.3%)	1.7%
Quebec	24.4%	28.7%	Quebec	7.1%	96.7	(37.8%)	41.0
Ont.	40.4%	34.2%	Ont.	4.7%	74.8	(29.0%)	24.0%
Man.	5.0%	5.1%	Man.	5.4%	6.7	(2.6%)	2.8%
Sask.	4.8%	5.1%	Sask.		14.8	(5.8%)	5.2%
Alta.	7.3%	7.3%	Alta.		26.5	(10.3%)	10.2%
B.C.	10.5%	9.0%	B.C.	7.9%	27.5	(10.8%)	12.9%
Others	.4%						

I want to say in connection with this table that when I totalled the figures for the Maritime provinces I found that they have 10.6 per cent of Canada's population; they enjoy 7.2 per cent of Canada's personal income, yet they are able to participate in only 3.6 per cent of the planned winter works projects. In other words, because the provinces and the local authorities have to contribute to make such a winter works program or project possible, those provinces that have more means, that often have less unemployment and greater possibilities, are able to benefit more from a program of this type. It would be of interest if one were able to compare the actual number of unemployed

in each region or locality with the actual number of jobs that these projects will provide and the period over which they will be provided. For example, I read somewhere that there are 67,000 unemployed in Toronto. There would be 2,000 jobs provided through the projects that are being undertaken in that area.

Consideration of Bill C-51 by a standing committee might have enabled us to obtain this pertinent information, to judge what progress we are really making through the introduction of this winter works program, and how we might possibly enlarge upon it or improve it. Thank you, honourable senators.

Hon. Arthur W. Roebuck: Honourable senators, I should like first to say that while I agree with what His Honour the Speaker has said with regard to the reading of excerpts by the honourable senator who has just resumed his seat (Hon. Mr. Wall), I think an extension of what he said ought to be placed on the record. A member of this house has the right to read an excerpt from a newspaper as the basis for a question, without himself endorsing the opinion expressed. The honourable senator, in the course of his address, said the reading of the excerpt was for the purpose of asking a question—I assume, of the administration. If he has been prevented from asking a question as a result of the ruling, I submit to His Honour the Speaker that he should be allowed to use it in that manner.

Hon. Mr. Thorvaldson: Even if it is libelous?

Hon. Mr. Roebuck: There is nothing libelous here. Nonsense!

Hon. Mr. Thorvaldson: If anybody is accused of cheating, and if that accusation is not true, a libel is committed.

Hon. Mr. Roebuck: It was not a libel. I was a member of the committee that drew up the Unemployment Insurance Act years ago, when I was in the Commons, and we very carefully provided that the contributions made by the employer and the employee should be drawn upon in certain ways. We had had the reports of auditors and accountants, and we carefully balanced the one against the other. During the ensuing years employers have contributed to the fund on that basis.

This Government has disregarded the basis of the Unemployment Insurance Act and has used the funds for ulterior purposes; and if that is not cheating the employers and the employees, well, I do not know what cheating is. The word is properly used: it is cheating. It is cheating those who have paid money in on a certain basis and their money has been used for other purposes.

Hon. Mr. Hollett: Honourable senators, might I ask the honourable member who has just resumed his seat (Hon. Mr. Roebuck) what the ulterior purposes were for which the Government used the money?

Hon. Mr. Roebuck: They were purposes not expressed in the original act or in the act as it has been administered over the years, up until very recent times. These were the ulterior purposes.

Hon. Mr. Hollett: Could the honourable senator tell us exactly what the ulterior purposes were?

Hon. Mr. Roebuck: I have not the list to hand. The honourable senator knows them just as well as I do.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker (Hon. Mr. Pearson): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move third reading now.

Hon. W. Ross Macdonald (Brantford): Honourable senators, before the motion is agreed to, may I say that I am consenting to the bill being read a third time now because there is some urgency in the matter. I understand the Government requires the funds so that people can be put to work immediately. I would not delay that process in any way whatsoever. It is for that reason that I am agreeing to third reading today.

However, honourable senators, it is clear that we have not obtained all the information we should have. Legislation like this should be considered in committee. Also, we should have more definite information about the agreement which the Wheat Board has with the communist countries.

Hon. Mr. Aseltine: I will obtain that information, if possible.

Hon. Mr. Macdonald (Brantford): The honourable Leader of the Government says he will get it, but in the meantime we shall have passed the bill.

Honourable senators, I cannot understand why the honourable senator from Hanover (Hon. Mr. Brunt), who sits on the Government side, would read to us a document which purports to give this agreement, and which gives it to us in tabloid form. I asked the honourable senator if he would produce the agreement, and he told me that he would not and

could not. It is some kind of a secret document. It is a document that we should know about, because we know it exists. What is the Government holding back?

My honourable friend the Leader of the Government says that he will produce it tomorrow.

Hon. Mr. Aseltine: I did not say that. I said that if I could obtain it I would produce it. I do not know whether I can obtain the agreement; I do not know whether or not there is such an agreement.

Hon. Mr. Macdonald (Brantford): My honourable friend from Hanover (Hon. Mr. Brunt) referred to the agreement. What it actually contains, we do not know. We know it contains one thing, and that is that the Government of Canada—that is, we, the people—are guaranteeing the debts of Communist China to the Wheat Board.

Hon. Mr. Aseltine: Just as we do in all these other exports. The Government guarantees that the money will be paid.

Hon. Mr. Macdonald (Brantford): That may be so, but the fact remains that apart from what the honourable senator from Hanover read to us, the only thing we know about the agreement concerns the guarantee made by the Government—that is, by the people of Canada—in connection with the debts of a communist country. That may be all right, or it may be all wrong. But surely, on important matters like that we should have the agreement tabled so that we can consider it.

It is too late to do that now. Certainly, we on this side of the house are not going to hold up this bill. We are not going to deprive people of employment in order to obtain this information.

What I say to the Leader of the Government (Hon. Mr. Aseltine) is that in all fairness, in the future—and I know he is not deliberately withholding anything—when we have legislation which must go through quickly we should have all the information which is available, and that information should be set before us before the bill is presented.

Hon. Mr. Roebuck: I should like to suggest a further provision in connection with this matter, that when that document is produced and laid on the table, the debate with respect to it shall continue and we shall have the right to discuss the document, as well as the opportunity of reading it.

I think it should be understood between the Government and the Opposition—indeed, among us all—that such a document shall be open to discussion when the appropriate time comes.

Hon. Austin C. Taylor: Honourable senators, before this bill is given third reading I should like to say a few words in connection with it.

In so far as Item No. 611 is concerned I am in agreement as to the amount of money that is going to be paid to those who need it. Since the inception of this scheme, in 1958 or 1959, it seems to me that we have approached this problem in a hit or miss fashion, and that is an approach that is not going to solve the problem at all.

That the farmer in the west who has a 50-bushel crop per acre is going to get the same amount of money as the farmer who has only a 5-bushel crop per acre seems to me to be totally unfair. I know that travelling to and fro, between Ottawa and my home, last September I saw many thousands of acres of oats between Ottawa and Montreal completely ruined, with not a bushel harvested, and yet the farmers did not get any assistance.

I am suggesting that this Government, or some other government, give consideration in the very near future to some form of crop insurance that will take care of all these problems and those individuals who need assistance, but which will not embrace those people who do not need assistance, and let it apply right across the country from one coast to the other.

Honourable senators, that is the only thing I have to say about this measure. I do not like the way this assistance is being given. I believe there are people who are going to get money out of this but who do not need it and who do not deserve it. On the other hand, I believe there are many small farmers in the drought stricken areas of the west who will get money which they sorely need, and for that reason I am supporting the bill. However, I repeat, I do not like the manner in which this bill has been presented. This sort of thing has been going on for four years, and it is my opinion that it is time some method was developed whereby the man who loses the crops will get the assistance, and those who lose nothing will get no assistance.

Hon. Mr. Roebuck: May I ask the honourable senator a question? Would he be satisfied if the Government established a fund such as the Unemployment Insurance Fund for the payment of crop losses, and then be allowed to use that fund for another purpose?

Hon. Mr. Taylor (Westmorland): No, honourable senators, I am not suggesting that. I am suggesting that some system of crop insurance be evolved, with the bulk of its funds being provided by the national Government. In three years we have spent $126 million on this $1 per acre program, and it seems to me that

that money could very easily have been used to build up an insurance fund that could take care of all the situations from coast to coast and be applicable not to just one individual area or group of individuals.

Hon. Mr. Pratt: Does the honourable senator mean that premiums would be paid by the producers year by year as well?

Hon. Mr. Taylor (Westmorland): Certainly. I think the producers should contribute something to it in the same way as they contribute under the P.F.A.A. All of this money is coming from the taxpayers. The farmers of the west do not pay any of this except by way of taxation. There should be evolved some system of insurance, the funds of which could be contributed, some by the provinces, some by the individual farmers, but with the bulk coming from the national Government. Such a scheme will not cost any more than is being spent at the present time.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

February 7, 1962

Sir:

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 7th February, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

Esmond Butler,
Secretary to the Governor General

The Honourable
The Speaker of the Senate,
Ottawa

UNIVERSAL COPYRIGHT CONVENTION

NOTICE OF MOTION FOR APPROVAL STANDS

Leave having been given to revert to motions:

On the notice of motion of Hon. Mr. Aseltine:

That it is expedient that the Houses of Parliament do approve the Universal Copyright Convention signed by Canada in Geneva in 1952 and Protocol 3 thereto, and that this house do approve same.

Hon. Walter M. Aseltine: Honourable senators, with respect to this notice of motion may I say that on account of the lateness of the hour, and the fact that the honourable senator from Vancouver South (Hon. Mr. Farris) has indicated his intention of speaking in the debate on the Address, I would like to have this motion stand until the next sitting.

The Hon. the Speaker: Has the honourable senator from Vancouver South (Hon. Mr. Farris) agreed to that?

Hon. Mr. Aseltine: I understand that he has.

The Hon. the Speaker: The notice of motion stands.

LAND USE

SPECIAL COMMITTEE APPOINTED TO CONDUCT INQUIRY

Leave having been given to revert to the order for motions.

Hon. Walter M. Aseltine: Honourable senators, I move the following motion standing in my name on the Order Paper:

That a special committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the committee be composed of the Honourable Senators Basha, Bois, Boucher, Buchanan, Cameron, Crerar, Emerson, Gladstone, Higgins, Hollett, Horner, Inman, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (Kamloops), Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Veniot, Wall and White.

That the committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry;

That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the six preceding sessions be referred to the committee.

Honourable senators, this is a motion to set up once again the Special Committee of the Senate to report on land use in Canada, and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it.

I am not going to say very much in support of this motion except that this committee was set up some six sessions ago, and during each succeeding session it was set up again. This committee did most valuable work, and I have noticed many times that the newspapers of western Canada, and some of the eastern newspapers, have quoted whole paragraphs of the committee's reports. The work that has been done by this committee has been spoken of very highly.

Honourable senators will remember that the Agricultural Rehabilitation and Development Act, known as the A.R.D.A., was passed last year, and that act was a direct result of the report of this committee with respect to its investigation into matters of this kind.

I have no idea of exactly what the committee intends to do this year, but it is my understanding that a large number of its members have asked that it be reinstituted so that they will be allowed to follow up the work they have been doing. There are many people in different parts of Canada who wish to come to Ottawa to make representations.

Hon. Mr. Roebuck: Can the honourable Leader of the Government (Hon. Mr. Aseltine) give any undertaking or assurance to the members of the committee as to the length of time in which they will have to act on this committee before dissolution?

Hon. Mr. Aseltine: I am neither a prophet nor the son of a prophet.

Honourable senators, I am therefore moving this motion, which I hope the Senate will pass, so that the committee can be set up and get to work.

Hon. W. Ross Macdonald: Honourable senators, I am very pleased to associate myself with the honourable Leader of the Government (Hon. Mr. Aseltine) in presenting this motion to the house. It is always a pleasure, and somewhat of a change, to be able to agree entirely with the proposals which he brings forward. In this instance, it is my good fortune to be able to concur in all he has said.

This committee over the years has undertaken some very important investigations, and it has presented to this house, as the honourable Leader of the Government has said, very valuable reports which have been praised in the press throughout the land.

It is my understanding that the committee is to be more or less a continuing committee and that probably it will be set up from year to year. I do not know what the committee will investigate this year. I do know that in my district there are two very grave problems. One is the so-called vertical integration, where large acreages are being taken over by corporations and being worked by those corporations, while the smaller farmer, although he might produce a crop, cannot dispose of it. It creates a hardship for the small farmer.

What is going to happen to the family farm? I know the committee has already inquired into this problem but it continues to be a serious one. We have always considered farmers to be the backbone of this country, particularly those on small farms. Unfortunately these farms are disappearing. The committee may deem it worth while to consider this particular problem again. In any event, I am happy to associate myself with the honourable Leader of the Government (Hon. Mr. Aseltine) in presenting this motion.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, may I be allowed to add a few words. This committee for the past few years has been doing a magnificent job, but a job that we have been doing inside, confined between these walls. Experts appear before us. We listen to what they have to say. But what I think this committee should do is to delegate a few of its members, or to go itself as a whole, to study on the spot the problems we are trying to solve.

This idea I am submitting today comes from the fact that I was brought face to face with reality a few weeks ago when, at home, we were discussing an agricultural problem. We were trying to solve it, all the while discussing it with certain officials, without ever reaching a solution.

One fine day we decided to go and find out about these things on the spot. We went there in order to determine what was really the matter, and, after seeing how the people lived, we understood the problem and found the solution.

Furthermore, with the legislation enacted last year by the Government, and which derives from the study made by this committee, we will be able to solve more than one problem.

By thus making on-the-spot studies we are able to find solutions which we could not devise if we were to work in the dark, within

four walls. The western farmer's condition and that of the farmer in the centre of the Maritime provinces are not identical. We are unable to put ourselves in those people's shoes. We are unable to live the way those people want to live and can live. The committee which is to be set up again has done some fine work in the past and has secured the views of a good many people but I feel that some of its members should, either during the session or afterwards, investigate on the spot, the problems that arise and the solutions which could be suggested. That is how we would truly be able do some constructive work.

(Text):

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 1, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. J. W. de B. Farris: Honourable senators, in rising to speak today I find myself experiencing conflicting emotions. When I thought I was going to speak in the chamber last evening I was in somewhat of a fighting mood for I could, as in old times when I was in active politics, smell the scent of an election battle. But after the tragic passing in this chamber last evening of Senator Barbour, and the eloquent tributes paid to him this afternoon, I sat here wondering just how worth while is contentiousness in this life of ours, for even for us "younger" senators the end cannot be too far away. I find myself two or three years younger than Senator Crerar and one year younger than our late colleague. However, the realities of life require us to take up the burdens as they come along and to face issues as they confront us. I should like, therefore, without elaborating, to join in the expressions of congratulation to the mover and the seconder of the address in reply to the Speech from the Throne. This is my twenty-sixth year in the Senate and I know of no occasion when formal expressions are more appropriately placed on the record of this house.

I should like to say a few words about the honourable Leader of the Government (Hon. Mr. Aseltine) and the honourable Leader of the Opposition (Hon. Mr. Macdonald). I am a little prejudiced, for I like them both.

Hon. Mr. Brunt: That is not prejudice.

Hon. Mr. Farris: But that does not affect my honest opinion that their speeches in this debate were well worth while. What appealed to me was their fairness and moderation. If I ever returned to the frame of mind I used to be in when I was in the Legislature of British Columbia, I am afraid I could not qualify in that statement.

I particularly want to join in the congratulations that have been extended to the honourable Leader of the Government in his appointment as a Privy Councillor. No one inside or outside this Parliament is more entitled to that position than is he. I am sorry to add some words of regret. First, he ought to have been given that position long ago and, second, he should have been appointed a member of the Government of this country. Though I feel that that should come to him as an individual, I feel more strongly that it should come to him on behalf of the Senate as a constitutional part of Parliament. If you look at the recitals of the British North America Act you will find these words:

> Whereas the Provinces of Canada, Nova Scotia, and New Brunswick have expressed their Desire to be federally united into One Dominion under the Crown of the United Kingdom of Great Britain and Ireland—

And these are the words I want to emphasize.

> —with a Constitution similar in Principle to that of the United Kingdom.

As I understand the policy and principles of the Government of the United Kingdom, the House of Lords is, in the fullest sense, as much a part of Parliament as is the Commons, and for reasons that are good and valid. On another occasion I may elaborate on this and draw comparisons between the House of Lords and the Canadian Senate, but for the present I want to say that one of the essentials in the institution of the Parliament of Britain has been recognition of the fact that there has always been, in modern times at least, one or more prominent members of the Government in the House of Lords. If there is an exception to this I do not know about it. But I can say with safety that almost universally under our principles of government the Senate has been represented by a member in the Government, and I know of no one who is more entitled to that position, from the standpoint of ability and experience, than the honourable Leader of the Government (Hon. Mr. Aseltine). I can see absolutely no justification, from a constitutional standpoint, why, in all the years he has been Leader of the Government in the Senate, he should not have been made a member of the Government of Canada.

I wish next to extend congratulations to the two honourable senators who have preceded me in this debate on the address in reply to the Speech from the Throne. One of these speakers was the senator from Churchill (Hon. Mr. Crerar). I had occasion once before to refer to him as one of the greatest men of our time in public life. I was very much pleased to read in today's issue of the *Globe and Mail* the following reference to him:

> Senator Thomas Crerar this week provided a powerful argument against those who want an age limit in the Senate. The 85-year old Manitoba senator made by far the most sensible contribution to the current parliamentary debate over the Government's proposed $10 a month increase in the old-age pensions.

A contribution of that kind is not unusual from my honourable friend. I think now, as I said last year, that he is one of our outstanding men in public life. He is remarkable for his virility, memory, sound judgment, and the continuous contribution he is able to make to the public life of Canada.

I would like now to say a word about the lady senator (Hon. Mrs. Irvine) who preceded me in this debate. I am sure we all felt great admiration for her speech. I sat here in quiet appreciation, almost in amazement, of her masterly demonstration of indisputable figures, which came almost like a snowstorm as she proceeded to analyse the contribution which Canada is making, under the present Government, to the welfare of Canadian citizens. However, when her speech had ended I could not help wondering why, with all her remarkable ability to paint this picture of how much money we are spending, she did not also use that ability to tell us where the money is to come from and how we are going to raise it. We expect from the ladies a contribution that mere man is not able to make. Every woman, married or single, who is sensible and responsible, as my good friend opposite is, always gives consideration not only to the good things—in the case of a married woman, that a husband provides—but to the question of whether there is the money to pay for them, and she will soon put her foot down to safeguard extravagant expenditures. I regard this question very seriously, and I fear that the strong impression the honourable lady senator has made—and must make on the women and men of Canada who are in sympathy with this question—by much eloquence and cogent emphasis on the getting of these benefits, may have smothered the proper consideration of where the money is coming from to provide those benefits.

Honourable senators, I have before me a little book which someone gave me a few years ago. It is a digest of all Mr. Diefenbaker's speeches in 1957 and 1958. I think it would be important to take from it one or two quotations—and since they are quotations from the present Prime Minister of Canada, I take it I am in order in doing so. First, I will quote from a speech he made at Guelph on May 13, 1957, as appeared in the London *Free Press* on May 14, 1957.

> Mr. Diefenbaker said that if the Liberals were returned to power, Canadians would find an ever-increasing tax burden in all municipalities and all provinces. This ultimately would reach the point of complete socialization. Taxation in Canada now was deemed confiscatory and had been so labelled by a former deputy minister of National Revenue.
>
> There could be a tax reduction in Canada and at the same time an increase in old age pensions and other security benefits on the strength alone of the Liberal Government's $500,000,000 surplus of last year.

On May 24 of the same year, speaking from Vancouver on a C.B.C. radio election broadcast, he said:

> We will put an end to excessive overtaxation. We will call a session of Parliament in September to reduce taxes, and at that session, with five hundred million dollars over-taxation last year we will be able to increase the old age and other pensions to fair and reasonable amounts. The Liberals tell you it is not possible to lower taxes and raise pensions at the same time. Give us a chance... we'll show you! Any party that cannot do this with that surplus does not deserve to be made responsible for public funds.

Honourable senators, I got off the track a little to make these observations. It so happens that Mr. Diefenbaker was not even right in his figures, but I think I am entitled to take his figures as the basis of my argument, whether they are right or not, because he quoted them to the people, and he became elected accordingly. In justification of that $500 million, why in the world, when his Government first took office, did he not give to old age pensioners the increase they are now promised? Never in the history of Canada had a government so much money to spend on old age pensions, as when the present Government first took office.

A little later I shall quote figures from Mr. Diefenbaker's speeches to show that this Government not only got rid of the $500 million

surplus, but that it has created a deficit of, I believe, between $800 million and $1 billion.

Hon. Mr. Roebuck: Is that just for one year?

Hon. Mr. Farris: I shall give you more details of that in a minute. I think it is for one year, but I get a little confused with figures as big as these. The point I wish to make is that if the Government can increase the old age pension by $10 a month above the amount granted under the previous administration, why in the world did it not do so four years ago when it had all that surplus? Why wait four years and deprive the pensioners of the money which Mr. Diefenbaker at that time said was available to do these things?

Honourable senators, I return to what I was first talking about, when I said how much I regretted that the honourable lady senator, with all her ability for studying and assembling these figures, did not also show the other side of the picture and give us a full understanding of where this money is going to come from. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has asked me about the deficits. I wish to refer to some statements which have appeared in the *Globe and Mail* and also in the Montreal *Gazette*, two great papers of Canada. I am not at all clear from reading these papers which side of politics they are on, but over the years there has been no question about it, they have been Conservative papers first, and active supporters of the Government.

Now, the figures I wish to quote are very important. I know that somebody said not long ago that it is easy to get quotations from some papers, with an accent and a sneer on the word "some", but it is not easy to get quotations from papers like the *Globe and Mail* and the *Gazette* and have their fairness questioned, particularly when they are against the present Government. I have before me an article from the *Globe and Mail* of January 25 last, written by Bruce Macdonald, under the heading, "Fleming Adds $42 Million to Deficit." May I read the concluding paragraph, Mr. Speaker?

The Hon. the Speaker: Go ahead

Hon. Mr. Farris: It reads:

> As a result of the failure of revenues to increase as expected and of expenditures to remain within the prescribed bounds, the minister already faced the possibility that his deficit would come to at least $800,000,000 for the year.

Now, honourable senators, get that picture: $800 million for this year. Yet Mr. Diefenbaker told us in 1957-58 there was a $500 million surplus. There was not, it so happens, but there was a mighty big one even at that. Now, if in 1958 he could not use that surplus for an increase in old age pensions, how in the world is he going to be able to give an extra $10 a month now when there is no surplus and there is an $800 million deficit? There is only one reason that I can figure—and I would ask my honourable friend from Lisgar (Hon. Mrs. Irvine) to mention this when she speaks to the ladies outside this chamber—and that is that an election is in sight.

That is what the *Globe and Mail* has to say.

Now I would like to turn to the opinion of this other great Conservative paper. It speaks with authority.

I heard His Honour the Speaker say today that members of the Senate should give their own opinions, but I do not know any better way for the good Conservative members of this Senate to get their opinions than to go to the greatest published newspapers on their side of the fence and see what they think of this expenditure question. I shall not read very much of the article. I shall leave out the first paragraph, although it is pertinent. This will answer my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) a little better.

> The Government in the current fiscal year is running a deficit that amounts to about $1.3 billion.

Hon. Mr. Dupuis: What is the date of the article?

Hon. Mr. Farris: January 23, 1962.

Hon. Mr. Roebuck: That is just a few days ago?

Hon. Mr. Farris: Just a few days ago.

I say with great deference to you, Mr. Speaker, and to all honourable senators, that we find this outstanding paper—a paper friendly to this Government—on the eve of an election warning Canadians as strongly as its conscience will permit. It is warning us about new expenditures on these things that my honourable friend the Leader of the Government (Hon. Mr. Aseltine) so eloquently and so skilfully portrayed. I read:

> The Government in the current fiscal year is running a deficit that amounts to about $1.3 billion.

Hon. Mr. Aseltine: They are just guessing.

Hon. Mr. Farris: Has my honourable friend any better guess?

Hon. Mr. Aseltine: Certainly.

Hon. Mr. Brunt: We do not guess.

Hon. Mr. Farris: I have not heard in either branch of Parliament one Tory speaker who

has any better guess than this from a friendly Conservative newspaper. Are we running this country on guesses?

Hon. Mr. Aseltine: It looks like it. You appear to be guessing.

Hon. Mr. Farris: Honourable senators, can we take a chance on going broke on the assurance of the Leader of the Government (Hon. Mr. Aseltine) that this problem is only a guess?

Hon. Mr. Aseltine: I did not say that at all. I said this newspaper was guessing.

Hon. Mr. Farris: If the Government was a little more frank perhaps it would not have to guess. But what were they guessing at? They were guessing on the statement of the finances as offered by the Minister of Finance. The Minister of Finance himself, according to the *Globe and Mail,* apparently admits an $800 million deficit. There is not an awful lot of difference. They used to make fun of the Honourable Mr. Howe for saying, "What is a million dollars?" And now we are confronted with the statement, "What is a billion dollars?"

I suggest to my honourable friend the Leader of the Government (Hon. Mr. Aseltine), and I do it with the best intentions because I like him, that he read that whole article. He has probably read it already. If so, I suggest that he read it again and ponder over it, and then ask himself as a public citizen, "Where are we going to end up?" How long would it take us to go broke if we had an election every year?

Honourable senators, I want to refer to the statement of a man who is a Conservative and a man whom the Liberals have had a great regard for. He retired as Premier of Ontario a very few weeks ago. I refer to Mr. Frost. I recall that during the elections in 1957-58 he was on the platform in Toronto with Mr. Diefenbaker. Again, Mr. Speaker, I shall not trespass on your sound ruling having to do with quotations, but I think you and all of us would like to know what Mr. Frost has said. He is a man of wide experience, and is now in a comparatively independent position. I am not sure whether it is as independent as I think, for there are rumours that he is going to be appointed to the Senate. I hope he is summoned here because I think he would make a good senator. I would like to hear him say in the Senate the kind of things he said in Kingston a short while ago. I see my honourable friend from Kingston (Hon. Mr. Davies) applauding these words. The occasion was in connection with a building program at Queen's University. "In these days", said Mr. Frost, "there are a great many things we would like to do."

Now it is all right for you, Mr. Speaker, to say to any member here, "You have to form your own opinions", but I am not a statistician, nor am I a chartered accountant. I am just a humble lawyer and a senator. I have to get my opinions from those who have made a life study of these questions and who can dispassionately give us an opinion. Now, who better can give an opinion to this house than Mr. Frost? I read from his remarks:

> In these days there are a great many things we would like to do.

That is what my honourable friend from Churchill (Hon. Mr. Crerar) said.

I continue reading Mr. Frost's remarks:

> We have many pressures to emerge into a full-blown welfare state. Before getting into any of these commitments, I think it would be well for the Canadian people and the people of Ontario to look at the cost of the bare essentials we are going to have to meet if we are to remain in the race at all.

Now, honourable senators, who have we heard on the Government side in this house, or in the House of Commons, or on the platform, who has seriously challenged these figures that are given by Mr. Frost, from the *Globe and Mail,* from the *Gazette,* and from the Minister of Finance himself, as to how we are going to have to meet the financial situation if we are to remain in the race at all?

I do not ask you to accept my conclusion that Mr. Frost is right, or that the Toronto *Globe and Mail* and the Montreal *Gazette* are right, but I do ask every member, not only of this house but of the other place, and the people of Canada, to give serious thought to a financial position that threatens to the extent that outstanding authorities supporting the Conservative Government are afraid of the future under Mr. Diefenbaker.

Honourable senators, I have here a chart which was published in the *Globe and Mail* on January 16. I do not know if the rules of the house permit me to have this table incorporated in the record. Honourable senators will see that it starts at a high point and goes down just like a toboggan in its portrayal of the exports of manufactured goods in the first nine months of 1961. It gives the percentages as they relate to the various countries. It is headed:

> Exports of manufactures. Percentage changes from January to September, 1961 over January to September, 1960.

Down at the bottom you can see just a fingernail on the chart representing Canada. You will see the toboggan slide representing the different countries as to their export percentages in this period of nine months. It starts with Italy and includes Germany, Sweden, Switzerland, Holland, all the countries in black, Japan, the United Kingdom, France, Belgium—and then Canada is down at the bottom. It is just enough to show above a black line. Apparently below that is the United States, but make no mistake, honourable senators, in comparing Canadian and United States exports. I believe everyone in this chamber agrees that export trade is far more essential to the growth and prosperity of Canada than it is to the United States.

If I am allowed to continue my remarks, I shall in a moment invite honourable senators to consider the European Common Market has, as the best illustration of the profits and success it is going to enjoy, the United States of America which is a common market of all the states of that great union. What is its population today, about 200 million?

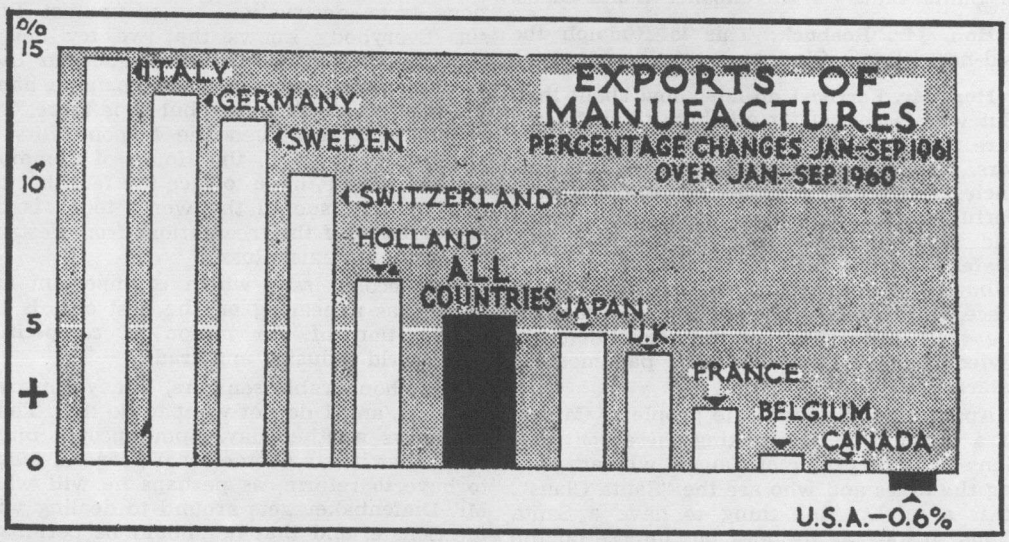
Hon. Mr. Croll: 220 million.

Hon. Mr. Farris: I understand that in the European Common Market there is a population of less than 200 million—about 100,700,000. It is anticipated that other countries will join, and they will represent another 100 million. Then the Common Market will be greater than that of the United States. However, today the United States has a common market of its own, with a population of over 200 million, and they are not in the same position as Canada. So they do not seek, and do not need a great export market for their manufactured goods, comparable to those that are shown in this chart. Of all those members mentioned in the chart—Italy, Germany, Sweden, Switzerland, Holland, all the countries combined, Japan, the United Kingdom, France, Belgium and Canada—Canada is hopelessly at the tail end of the hunt.

Honourable senators, you can produce all the figures you like, so can the members of the other house, and also the Government of Canada, but they cannot disregard the facts set out in that chart published in the Toronto *Globe and Mail* of January 16 last.

I do not know what the practice is in this respect, but with the permission of the Senate I ask that the chart be included in the record.

Some Hon. Senators: Agreed.



Hon. Mr. Hollett: Honourable senators, may I ask a question?

Hon. Mr. Farris: If it is pertinent.

Hon. Mr. Hollett: It is very pertinent. Are the populations of the various exporting countries mentioned in that graph?

Hon. Mr. Farris: No, but you can mention them any time you like.

Hon. Mr. Hollett: I was about to ask if the honourable senator could now mention those populations as compared to that of Canada?

Hon. Mr. Reid: What effect would that have?

Hon. Mr. Farris: I am saying this, that Canada ought to be able, with a proper Government and proper administration, to export

manufactured goods in competition with Italy, Germany, Sweden, Switzerland, Holland, Japan, the United Kingdom, France and Belgium, and to make a far better showing than being right at the very foot of this chart. If my honourable friend thinks that he can draw any argument to the contrary out of population figures, I would like to see him manipulate those figures.

Honourable senators, I have not quite finished with my comments on the speech of my honourable lady friend opposite (Hon. Mrs. Irvine), and I hope she will appreciate the fact that it is with great respect and admiration that I am singling out her speech for special consideration. In all fairness, I am sure she will agree with me that her speech was just a little boastful about all these "Santa Claus" performances that are going on.

Hon. Mr. Hnatyshyn: She has a lot to boast about.

Hon. Mr. Farris: I wonder if the honourable lady has ever stopped to think about Santa Claus, his little sleigh, the reindeers and the bundle on his back. Where did he get those things? Who paid for them? What resources had Santa Claus with which to obtain all those gifts? This is a modern kind of Santa Claus—a Diefenbaker Santa Claus.

Hon. Mr. Roebuck: This is Rudolph the red-nosed Santa Claus.

Hon. Mr. Farris: I do not know about that. But who is paying for all these things? I am sure that if my honourable lady friend (Hon. Mrs. Irvine) goes out to the various constituencies and tells the ladies about these wonderful things, she will not overlook the fact and will not miss telling them that Mr. Diefenbaker and his Government are not contributing—I was going to say a five cent piece, but I will refrain—they will contribute their little share of the taxes that are levied against their rather parsimonious salaries.

Apart from that, it is the people of Canada as a whole who are making these contributions. It is the people of Canada who are paying the taxes and who are the "Santa Claus". It is a mighty fine thing to have a Santa Claus so long as he does not impose on the people to whom he gives the burden of finding the moneys that he is expending on their behalf.

I hope that when my honourable friend opposite makes her speeches she will be sure to point out the fact that it is the people—who are the beneficiaries, so-called—who will have to pay the bill, and I suggest that she ask them if they know where the money is coming from.

I have in my notes a legal story that is somewhat generally in legal circulation, but I think that a change in one word would give it application to this discussion. An accused was tried before a judge, was found guilty, and was sentenced to twenty years in the penitentiary. The judge then said to the accused, "Have you anything to say?" The latter replied, "Yes, Judge, I want to say you are very generous with other people's time." Only one word need be changed to make the story applicable here—"You are very generous with other people's money."

Ladies and gentlemen of the Senate, that is all I wish to say on that particular branch. I now come to the question of the Speech from the Throne and to the real issues forecast in that speech.

I saw somewhere—I have not been able to put my finger on it, but I think it must be right—that Mr. Diefenbaker has said the issue in this coming election will be between socialism and private enterprise. Is there any challenge to that? I think that is correctly stated. If that is the issue I have this to say: Mr. Diefenbaker has not yet told us which side he is on. Is he a Toronto Tory or a Saskatchewan Socialist?

In my opinion the two outstanding issues are: First, the preservation of the free nations from destruction by communist Russia. Everybody knows that we try not to think about this; we try to conduct our lives as if that were not the black phantom hanging over us at all times, but it is there. The people who are given the responsibility of government, both in the House of Commons and the Senate, have to face the fact that the outstanding issue in the world today is the preservation of the free nations from destruction by communist Russia.

The second issue which is important and which has a bearing on the first one, is the preservation of our nation in competition with world industry and trade.

Now, honourable senators, I may run over my time, and I do not want to do that. There is always another day. Some people might think that it is a shame for a poor old fellow to have to reform, as perhaps he will when Mr. Diefenbaker gets around to dealing with the Senate, and that he should be permitted to take his time. However, I do not want to talk about that.

The issue, honourable senators, is the free world against communism. To me, this issue is simple. In the past self-defence has been the primary consideration, but in the present threat of war ordinary defence alone is of little use.

You will notice, honourable senators, that I do not speak from a text; I speak from

notes. But this is so important that I have written it down. There is, in my submission to this house, only one defence, and that is the prevention of war. Our experience in the past has shown that so far as Russia is concerned this can never be accomplished by friendly negotiations. Every time we have tried that method they have just made fools of us. They have made the whole proceeding foolish.

You will recall the tragic occasion when there was going to be a summit conference and, because some unfortunate American aviator landed in Russia, Khrushchev used that incident as an excuse for not only refusing to hold the conference but to attempt to politically destroy the President of the United States in his attacks upon him.

We cannot negotiate with Russia. I agree that we should never stop trying to negotiate, but for heaven's sake let us recognize, when we are doing it, that our experience has been that there is little possibility of accomplishing anything. Our only hope in these threatening conditions is to be so strong that Khrushchev will know that if he starts a war, or permits it to be started, he and the communist world will be destroyed. If the time ever comes when he has not that fear, then God help us.

To accomplish this, honourable senators, destructive power is necessary, but destructive power alone is not enough. I am reminded of a story of a man who wanted to join the police force. He was a little man but he had power in his muscles and he was a good fighter. He applied to the chief of police, who said to him, "I am not going to hire you. You are too small". He said, "Look here, Chief, I can lick any man on your force". The chief of police replied, "I am not disputing that, but that is not what I want. I do not want a man who has to fight to demonstrate his strength. I want a man who can demonstrate it by his appearance without having to fight". We have to be in that situation with respect to Russia. We not only have to have the capacity, but we must show it to Khrushchev in such conclusive terms that he will know that an attempt on his part to start a war will mean his own destruction.

To do that there must, of course, be the power, but there must also be that unquestioned show of strength which will keep Mr. Khrushchev in his place, and discourage him from trying any extreme measures which will produce a war.

I think that the primary question that every one of us, whether members of Parliament or not, must think of is: How are we going to do that? Well, honourable senators, we have got to show courage. We have got to make Khrushchev understand that we have the real guts to fight if we have to, and we have also got to show him that we—when I say "we" I mean Canada, the United States, Great Britain, France, Italy and all the other western nations—are a unit and are co-operating together.

I do not know, but it is my opinion that Khrushchev's policy is to avoid a war if possible. If that is not possible then his policy is to get us so divided that we cannot fight him successfully. His policy is to divide and conquer. So one of the steps we must take at this time in order to head off conflict is to see to it that there is unity and co-operation between all the nations, and, in particular, so far as we are concerned, that there is unity on the North American continent.

Honourable senators, in the last war we had some experience from which we can learn. We had Eisenhower—not President Eisenhower, but the same man, who was then General Eisenhower—in command of our united forces. Our armies worked together as a unit. What applied to our armies and their generals under Eisenhower applied also to the statesmen. In earlier times in another war they applied to Sir Robert Borden. They applied during the last war to Mr. Mackenzie King. Have you heard lately the statement that Canada's policy is going to be decided in Ottawa and not in Washington? I wonder what size of smile there is on the face of Khrushchev when he hears that bombastic statement. That statement, to my mind, is utterly ridiculous. Sir Robert Borden was never heard to say, "We are not going to take our lead from the United States, or any country. We are going to run our own show". I never heard Mr. Mackenzie King say that the policy of Canada in the war was going to be decided in Ottawa and not at Washington, or London, or at any other place.

I do not want to be unduly critical about this, but I feel very strongly about it because I think it goes right to the heart of the problem we have to face at this time, and I would not labour it if I did not feel that at this time there are disturbing sounds in Canada of unnecessary friction and indications of lack of a bold and co-operative policy on the part of the Canadian Government.

As illustrations of that I have in mind one or two instances. One is the question of the Bomarc weapons. I am not going to make any argument about them. I do not think I would be competent to do so, and I do not think you would accept my opinions anyway, but I simply ask my honourable friend, the Leader of the Government (Hon. Mr. Aseltine) if he can tell us what our policy is in regard to the Bomarc weapons. Has Mr. Diefenbaker

demonstrated that his co-operation and understanding with Washington is such that everything is working in harmony, and that there is a common purpose in connection with those Bomarc weapons? If there is, honourable senators, I have not been able to discover it.

That is all I want to say about that, but I have more to say about this problem which is now concerning Canada and the United States, and which I regret to say is one of the really serious problems, not only so far as it concerns trade but so far as it concerns an exhibition of courage on our part, and decision, and full co-operation and understanding with the United States.

In the first place I would like to state that this is where our safety lies. If the United States with its great capacity and its population does not take the leadership, what then? You know, it used to be Great Britain that took the leadership, and those were wonderful days, but she has sacrificed so much in manpower and financial strength that today she is not the nation that can give the first leadership, and that duty has passed on to the United States. Has any honourable senator here any doubt that if we do not work with the United States, and if our co-operation with her is not complete, our safety is gone?

What are the facts that face us in this connection? I am going to state the facts, as I understand them, and I will ask you, honourable senators, to draw your own conclusions. It was not long ago that President Kennedy came here and addressed Parliament. At that time he urged the Canadian people to join the union of the nations of North and South America.

I was not here at the time and I do not pretend to give any details. I am not for one moment saying that for purely domestic reasons it was desirable that we join in that organization, but I do say that when the President of the United States, the greatest power in the world today, comes and urges that to be done in order to protect us from Russia—for whom? the United States and Canada, yes—and we do not do so, there must be a mighty cogent reason to justify our refusal to co-operate with this one nation in the world which stands between us and destruction.

Then we have been faced with a more recent problem, one which is getting more critical every day—Cuba. The facts are remarkable. Cuba is only a stone's throw from the United States and in these modern times when distances are relatively small, Cuba is mighty close to Canada. In its communistic development it is just as big a danger to Canada as it is to the United States. The small island of Cuba is dominated by Fidel Castro who boastfully admits to being an avowed communist in the closest relationship with Russia. Cuba is receiving large supplies of ammunition from Russia, and in this connection I shall provide the house with certain figures I obtained from an article appearing in my old standby, the Montreal *Gazette*. I gather from the large headlines that the story appeared on the front page. It is datelined February 5, Washington, and I take it that whenever the Montreal *Gazette* publishes a statement from Washington it stands responsible for its accuracy. It reads:

> Cuba now has 50 to 100 MiG jet fighters and may be receiving some Soviet bombers and short-range rockets in new communist-bloc arms shipments, U.S. experts estimated Sunday.

Are we justified in being apprehensive, assuming that is right? Is the Canadian Government justified for one moment in saying it has any information to the contrary? I do not think so.

> The total worth of communist military assistance to Fidel Castro has been placed at some $100 million so far, with most of the arms deliveries completed in a 12-month period ended last August.

We are disposed not to think too much about the dangers facing us because they interfere with our ordinary life. That is a good thing in a way but it is not a good way for the Government of this country to be dealing with public affairs. This article does not tell us how much more communist military assistance Cuba has had since last August, but it goes on:

> They believe a fresh flow of weapons is starting after an arms-assimilation period which began in Cuba last summer. In this phase, Soviet bloc instructors remolded Castro forces along communist lines.

There is a lot more to this article. I will not go into it any further, but I do want to give the house some more information.

The Hon. the Speaker: Would the honourable senator from Vancouver South (Hon. Mr. Farris) mind interrupting his speech so that we may have royal assent? As is well known, the Gentleman Usher of the Black Rod must summon the members of the other house before six o'clock.

Hon. Mr. Farris: Then I would move the adjournment of the debate until tomorrow afternoon.

On motion of Hon. Mr. Farris, debate adjourned.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker:

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

26211-3—7

THE SENATE

Thursday, February 8, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Statement of work performed and expenditures made as of December 31, 1961, together with estimated expenditures for 1962, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto, pursuant to section 10 of the Canadian National Toronto Terminals Act, chapter 26 of the statutes of 1960. (English text).

Statement of work performed and expenditures made as of December 31, 1961, together with estimated expenditures for 1962, respecting the construction by the Canadian National Railway Company of certain terminal facilities in the vicinity of the city of Montreal, pursuant to section 11 of the Canadian National Montreal Terminals Act, chapter 12 of the statutes of 1929. (English text).

Statement of work performed and expenditures made as of December 31, 1961, together with estimated expenditures for 1962, under authority of chapter 7 of the statutes of 1960-61, respecting the construction by the Canadian National Railway Company of a railway line from mile 72.6, Kiask Falls Subdivision, to Mattagami Lake Mines, township of Galinee, in the province of Quebec, pursuant to section 8 of the said act. (English text).

Report of the Cornwall International Bridge Company Limited, for the year ended September 30, 1961, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S. 1952. (English and French texts).

[*Later:*]

FURTHER SUPPLEMENTARY ESTIMATES

Hon. W. Ross Macdonald: Honourable senators, may I be permitted to revert to the first item of business?

Some Hon. Senators: Agreed.

Hon. Mr. Macdonald (Brantford): I find that there has been tabled in the other house further supplementary estimates amounting to $153,270,929. I am wondering if the Leader of the Government (Hon. Mr. Aseltine) is going to table these supplementary estimates, which are the third supplementary estimates for the current year, and whether we can be assured that each one of us will receive a copy before it is considered in this house.

Hon. Mr. Aseltine: Honourable senators, at 3 o'clock copies of the further supplementary estimates had not reached me. I expect them at any moment. When they arrive I will be glad to table them and, of course, each honourable senator will receive a copy.

(*See p. 104.*)

PRIVATE BILLS

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. L. P. Beaubien presented Bill S-3, respecting The Mutual Life Assurance Company of Canada.

Bill read first time.

Hon. Mr. Beaubien (Bedford) moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

WESTMOUNT LIFE INSURANCE COMPANY—FIRST READING

Hon. A. K. Hugessen presented Bill S-4, to incorporate Westmount Life Insurance Company.

Bill read first time.

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

LAND USE

REPORT OF COMMITTEE

Hon. Arthur M. Pearson, Chairman of the Special Committee on Land Use in Canada, presented the first report of the committee, as follows:

Your committee recommend:

1. That their quorum be reduced to five members.

2. That they be authorized to print 800 copies in English and 300 copies in French of their day-to-day proceedings.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Pearson: Honourable senators, I move, with leave, that the report be adopted now, but before the motion is agreed to, I would like to say a few words.

In presenting this report of the Special Committee of the Senate on Land Use in

Canada, I feel I should say something of what this committee has accomplished to date.

In 1960 it was felt that although a great many witnesses had appeared before the committee, it seemed that we were not accomplishing anything except to draw attention to the condition of the small farmers across Canada.

Last year the Government of Canada decided to do something to assist the farm communities, to help each to organize its own community, with a view to bettering living conditions and making greater use of rural assets, in order to raise the uneconomical farm unit to a better plane. In due course the Parliament of Canada considered and passed a bill called the Agricultural Rehabilitation and Development Act, more generally known in the farm communities as ARDA. Honourable senators will note that this legislation resulted from the work of the Senate Land Use Committee, and I might say that the committee was given full credit for bringing this matter to the attention of the Government.

This does not mean that the matter should be left there, either by the Senate Land Use Committee or the Government itself. There is a great deal of work to be done now in co-ordinating the effort of the provincial and federal agricultural departments. One of the recommendations of your committee was that the federal and provincial Governments arrange for the building up of a co-ordinated staff to work with the present provincial staffs—I am referring to the extension staff and others—whose training should have particular emphasis on farm management and planning, rural development, and principles and methods of community organization and development.

I am pleased to report at this time that a chairman has been named by the federal Government to assist in this work of co-ordinating the extension staff, etc. He has travelled across Canada visiting the various provincial agricultural departments and, I presume, making arrangements to carry out the plans as enunciated in the act.

The fifth recommendation made by your committee last year was that the Special Committee of the Senate on Land Use in Canada be a continuing committee, that it be reconvened each session, and that it be authorized to engage a research team or teams. On this latter point, may I say that the steering committee gave me authority this year to approach on their behalf the Department of Agriculture. This I have done, and am happy to report that we shall be able to obtain the services of a member of the Economics Branch of the Department of Agriculture. I have spoken to this representative and he will be very pleased to take on the work when the committee has assembled and made arrangements to proceed with its work.

From further discussions I have had with the Department of Agriculture I anticipate that the Senate Land Use Committee will have a full program of work during the present session.

Report adopted.

BUSINESS OF THE SENATE

On the motion for adjournment:

Hon. Walter M. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it do stand adjourned until Monday, February 12, 1962, at 8 o'clock in the evening.

May I say I am expecting that the Senate will have a very busy week commencing on Monday. I have every confidence that we will receive a bill to amend the Disabled Persons Act, a bill to amend the Blind Persons Act, a bill to amend the Old Age Assistance Act and, I believe, in addition we will have some of the veterans bills which are on the Order Paper in the other place. Therefore, I find it necessary to request that the Senate meet on Monday next.

Hon. Mr. Crerar: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) the nature of the amendments to these bills that are coming forward. Can he enlighten us on that? Are they bills to decrease the expenditures presently obtaining under the legislation?

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: May I inquire of the Leader of the Government—and now I am being serious—whether he can inform the house as to when the estimates of expenditures for the next fiscal year will be available?

Hon. Mr. Aseltine: In reply to the honourable senator's question, I have to say that I have no information on the subject.

Hon. Mr. Crerar: Could my honourable friend endeavour to secure such information, and advise us?

Hon. Mr. Aseltine: I will do what I can.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck: Honourable senators, as a matter of indulgence may I ask that order No. 3 be called as the first order of the day? I make this request as I have to leave the chamber in less than half an hour.

Some Hon. Senators: Agreed.

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 2 to 43, which were presented yesterday.

On motion of Hon. Mr. Roebuck, chairman of the committee, reports adopted.

OLD AGE SECURITY ACT

BILL TO AMEND—SECOND READING

Hon. John M. Macdonald moved the second reading of Bill C-54, to amend the Old Age Security Act.

He said: Honourable senators, while this is a very short bill it is one of considerable interest and importance to a great many people in Canada. I do not propose to deliver a lengthy explanation, as the explanatory note makes the purpose of the bill quite clear. However, since it is an amending bill it is necessary to examine the original legislation in order to understand fully just what is proposed by this amending bill.

The original Old Age Security Act was passed in 1951, and is to be found in the Revised Statutes of Canada, 1952, as chapter 200.

Generally speaking, section 3 of that act provided for a monthly payment of $40 to all persons of 70 years of age and over, provided that the person applying for such pension had resided in Canada for 20 years.

Section 5 dealt with the case of a pensioner who left Canada, and provided that the payment of the pension would be suspended until he had returned. If he returned within six months the pension could be paid to him for the period of his absence up to three months.

Section 10 provided for an old age security tax of 2 per cent on personal income and corporation income, and an additional 2 per cent sales tax.

In 1957, by chapter 3 of the statutes of that year, section 3 of the act was repealed, and a new section 3 substituted. This new section 3 provided for the payment of a monthly pension of $55 to all persons of 70 years of age and over who had resided in Canada for ten years.

Subsection (1) of section 5 was also amended to provide suspension of payment of the pension if the pensioner was absent from Canada for a period in excess of one month, but payment would be resumed upon his return to Canada. In cases where he returned to Canada within six months the pension could be paid for the whole six months he was absent, but with the qualification that such payment would not exceed the total for six months in any calendar year.

In 1959, by chapter 14 of the statutes of that year, section 10 was amended, and the old age security tax was raised from 2 per cent to 3 per cent.

In 1960 the act was again amended by chapter 4 of the statutes of that year, and it was section 5 that was again the subject of the amendment. The amendment provided that if a pensioner was out of Canada for six consecutive months the payment of his pension would be suspended for any time he remained out of Canada beyond six months. However, the pension would continue to be paid for any period he was out of Canada if he had resided in Canada for 25 years after attaining the age of 21 years.

It was proposed to increase the payment of this pension during the first half of 1957 by $6, and provision was made to do so not through an amendment to the Old Age Security Act but, as I understand it, through an appropriation act.

The bill now before us would amend section 3 of the act again by increasing the amount of the pension from $55 to $65 a month.

Honourable senators, I believe there is very general agreement as to the need of our older citizens having some form of economic security when, generally speaking, their earning days are over. It has also become generally accepted, I think, that the average person is unable, during his earning days, to provide in an adequate way for his old age. I suppose it was always so, but in days gone by the care and welfare of older people was looked upon as a private obligation, and only in more recent times was it accepted that the public as a whole had an obligation and a responsibility towards our older people.

The acceptance of such a responsibility by the public has had a most beneficial effect. It has certainly assisted our older people in an economic way and it has also enabled them to retain their spirit of independence. It has enabled them to live useful lives after retirement, free from a constant dread of the future, and free from a feeling that they were a burden to their families.

The Old Age Security Act provides a basic pension to all persons over 70 years of age, a pension financed wholly by the people of Canada through their Government. In other words, it is not a contributory pension in the sense that a person pays directly into a pension fund and receives from that fund an amount which would vary according to the amount paid in and the period of time over which it was paid. Yet, it cannot be said that the pensioner has not made some contribution towards his pension. He has paid taxes during

his working lifetime. He has made his contribution to the old age security fund through the payment of taxes of various types that go to make up that fund.

It should not be forgotten, honourable senators, that during his earning days he made contributions to build what we call now the social capital of this country, which capital is now being enjoyed by the younger people. The vast number of churches at which our people worship were built, and built at great sacrifice, by our senior citizens, as were institutions for the provision of education and institutions for the care of the sick. These were all built by our older people. I say that our senior citizens have made a very substantial contribution to the growth and development of this country, and it is now our duty and our responsibility to see to it that they be given some measure of economic security, now that their earning days are past.

I feel also, honourable senators, that the younger people of Canada are glad to accept their responsibility in this behalf, and to fulfil it by the payment of any taxes which might be necessary to achieve this purpose.

I know there are some who believe, and who believe most sincerely, that a pension which is payable to all over 70 years of age regardless of need is not the best type of pension. Perhaps some other type can be worked out which would safeguard all of the existing benefits of old age security and yet meet this objection. Indeed, I understand plans towards bringing this about are now under study, but in any plan we must be very careful to see that those who do need the pension are not deprived of one cent of the benefit they now receive, or will receive if this amendment is passed.

Personally, I believe it was a tremendous step forward when the so-called "means test" was abolished. I hate means tests. I have seen how they work. Yet, while I hate them, I know and understand that they are necessary in some types of assistance. After all, if a person over 70 years of age is in such a happy financial position that this pension is wholly unnecessary, then, if he receives it, I would expect that a large part of it would be returned to the Government in the form of income tax payments. But, with respect to those over the age of 70 years and to whom the pension means the difference between mere existence and an existence with some comfort, then I say, let us give them that comfort.

I feel, honourable senators, in this matter we should not ask if all those who receive the pension are actually in desperate need of it. I do not think we should approach the matter by asking, can we afford to pay it to our senior citizens, nor by asking, where the money is coming from to pay it. I do not believe we should approach this matter with any cautious or timid attitude of waiting until our financial condition improves. I believe we should approach it by asking ourselves just one question: Is this bill needed to improve the economic condition of our senior citizens? If we answer that question in the affirmative, as I do, then we will find the money to pay for this increase, just as governments have always found the money necessary to pay for the services the people of Canada think necessary, and the people will be glad to make any further contribution which may be necessary for this purpose.

Honourable senators, I believe this is a good bill. I feel it will be of substantial benefit to those of 70 years of age and over. I commend it to the favourable consideration of this house.

Hon. Lionel Choquette: Honourable senators, may I be permitted to ask a question? I notice that the proposed new section 3(1) reads:

> Subject to the provisions of this Act and the regulations, a monthly pension of sixty-five dollars may be paid in respect of every person who—

And I notice that the present section 3(1) also includes the words, "may be paid". I am wondering why the words are "may be paid" instead of "shall be paid". I have not a copy of the act before me, and perhaps there is an exception provided somewhere. Unless the act says the pension is for those with certain qualifications, then the words should be "shall be paid", not "may be paid". I would like to receive an explanation of that, if it is possible.

Hon. W. Ross Macdonald: Honourable senators, may I, or shall I, answer that question? If I may reply to the honourable senator I shall say that this is something to be considered when the bill is in committee, and I do hope that it will be referred to a committee.

The honourable senator from Cape Breton (Hon. Mr. Macdonald) who introduced this bill gave an explanation of certain sections of the act, a number of which are not affected by this amendment. In fact, only one provision of the act is affected by the amendment, and that is the one with respect to the amount of the pension.

The honourable senator from Cape Breton spoke highly of the elderly people of Canada and of our obligations to them. I am sure we are all in accord with what he said. In fact, I believe that, with one exception, this chamber has unanimously passed every piece of old age pension legislation which has

come before it. The first such legislation, presented in 1925, did not receive Senate approval but a similar bill was presented and approved in 1926, and every piece of old age pension legislation which has come before us since then has been approved. I have no doubt that honourable senators will approve this bill. I certainly will support it.

Though I do not object to the bill itself, I do object to the manner in which it has been presented. As honourable senators are aware, the usual procedure is for the Speech from the Throne to be adopted in the House of Commons, following which the estimates are tabled, giving some idea of what the expenses are going to be for the year upon which we are entering. Then the Government proposes certain legislation which has been forecast in the Speech from the Throne, and such legislation is considered from time to time. The next step is for the budget to be presented, setting forth the manner in which the money to be expended will be collected by the Government. But today we are doing everything in reverse. We are, as it were, putting the cart before the horse. The debate on the address in reply to the Speech from the Throne has not been completed; the estimates for the current year have not been tabled and, although some legislation has been presented, the budget certainly has not and we have no idea when it will be. Therefore, in passing this legislation and making this increase in old age pensions we just don't know what we are going to do with the taxpayers' money. In other words, we are buying a pig in a poke.

Where is the money coming from? I agree with my honourable friend from Cape Breton that we must provide for our citizens who are not in a position to provide for themselves, but I think we all, including the aged, must ask ourselves, where is the Government going to get the money? At the present time the money is being raised by taxation. There is a 3 per cent charge on personal income tax, 3 per cent on corporation income tax, and 3 per cent on sales tax. That money is segregated from the rest of the money the Government receives, and is used to make the payments under the Old Age Security Act. But we know that at the present time the revenue raised from those three sources is insufficient to pay the old age pensions at the present rate of $55, so how can we hope that it will be sufficient to pay benefits at the rate of $65?

The Government must know where it is going to get the money: by taxation, or by borrowing from the public, or by printing more money. I surely hope the Government will not resort to the printing presses, and I certainly do not know how it would get the necessary revenue by issuing new loans. Is it the intention of the Government to raise from 3 per cent to 4 per cent the amount to be taken from income tax, corporation tax, and sales tax, for this purpose? If this is not the intention, then we should be told. Why is the Government holding back and doing this thing in reverse? It does not have to present its budget early in order to introduce this bill, which is necessary at this time, but it could at least take us into its confidence and let us know if the money is going to be raised in one of the three ways I have mentioned. We are placed in an invidious position in being asked to support this legislation when we do not know where the money is coming from. However, in spite of all this I am prepared to go along and support the bill.

Honourable senators, I hope we will soon have a sound Old Age Security Act based on direct contributions sufficient to meet the objections raised by my honourable friend from Cape Breton (Hon. Mr. Macdonald) with respect to those who cannot contribute, especially for the next 10 or 15 years. A fund could be built up that would be sufficient not only to look after those who would be contributing but also those who are not in a position to contribute.

Without any doubt, many people across Canada are not in a position to contribute to certain available pension plans whereby their contributions are exempt from income tax. We do not want to deprive these people of an old age pension, so we must have a system which can take in everybody. We want a plan which will assure that our people will not want in their old age.

Hon. T. A. Crerar: Honourable senators, I simply rise to support the position taken by the honourable leader on this side of the house (Hon. Mr. Macdonald, Brantford). This legislation is certainly being hurried through Parliament. We shall have under consideration next week the other bills that are collateral to it. However, as the honourable leader on this side of the house pointed out, this all means the expenditure of more money.

The Old Age Security Act was passed—in 1951, if my recollection is right—with high expectations and with the general support of Parliament. Forecasts were made of what expenditures would arise from it. Well, as almost invariably is the case, irrespective of what party is in power, when a Government makes an estimate of expenditures, you can be pretty safe in wagering that in the end the estimate will be exceeded, and sometimes considerably exceeded. To finance the pensions, we had the 2-2-2 formula, which I need not dwell upon, and which in 1959 was increased to the 3-3-3 formula. In other words,

the tax for old age security had increased by 50 per cent. There were growing hopes this would solve the financial difficulties of the Old Age Security Fund. Well, it did, for a time. Until last November there was a surplus from this newly increased revenue that built up to the substantial amount of something like $20 million or $25 million. In the month of November the fund went behind; that is, for that month there were more payments made than there were receipts from these increased taxes. The difference was $1 million.

I sent to the library and got the information which I have before me now. The first deficit, which commenced in November 1961, was $1 million. In December it was $3,800,000. Bear in mind that comes under the new 3-3-3 formula. The span of life has been lengthened. Mortality tables of the life insurance companies provide clear evidence of that. This works to the advantage of life insurance companies, but works to the disadvantage of the Pension Fund and the taxpayers. On this basis it is a safe assumption that before the end of 1962 is reached, the fund will probably be in the red, and will continue that way unless it is bolstered again by fresh taxation, or until something is done about it. But bear in mind, honourable senators, that that does not take into account the pension increase of $10 a month which is proposed to be added through this bill.

Some remarks I made in the house on the address in reply to the Speech from the Throne were misinterpreted in some parts of Canada on account of newspaper headlines, and I received some very interesting letters from people who accused me of being against old age pensions. I think they were quite justified in being critical, if they read only the headlines. However, I am not against old age pensions, but I repeat what I said in my earlier remarks, that I doubt the wisdom of adding to the pension when our finances are in such complete disarray as they are at the present time.

Honourable senators opposite may not agree and that of course is their privilege. The plain fact is, however, that over the past four years we have added over $2 billion to our debt. The evidence is there, and it cannot be disputed, that the money supply has been increased very substantially over the commercial needs of the country. This legislation, if passed, will add at least $125 million to the pension requirements. In that figure I am including the amount that will be required under the other bills which will be coming forward. If this legislation is passed, and there are no proposals to add to the fund by further taxation, it is pretty nearly self-evident now, that by the end of the fiscal year, March 31, 1963, the fund will be in the red to the extent of anywhere from $120 million to $140 million.

Honourable senators, is it responsible on our part to pass legislation like this until we have some idea where the money is coming from to meet it? What would we think of a businessman who operated his financial affairs in that way? I do think this is a matter of tremendous importance, because if we proceed in this way with unbalanced budgets, make no mistake about it, sooner or later the people of this country are going to suffer from it —it cannot be avoided. That has been the experience of every other country that has tried it. Are we, as responsible members of this house, simply to say, "Well, it will please a great many people, therefore we will pass it"? I have no doubt it would please a great many people, and I have no doubt whatever that it would bring in tens of thousands of votes for the Government candidates in the next election.

Hon. Mr. Reid: That is the idea.

Hon. Mr. Crerar: In fact, when we look at the array of favours based on the distribution of largesse we are experiencing at the present time, one wonders what Parliament is coming to. I say to the Government, and to the leader of the Senate (Hon. Mr. Aseltine)—I do not blame him, because perhaps he has as much difficulty in getting information as some of the rest of us have—that the Government has no moral right, or any other kind of right, to place before Parliament these huge expenditures that will add to our debt, and in the end bring hardship to every home in Canada, without telling us how it proposes to raise the money to pay the bills. So far the Government has refused to do so. I do not expect my honourable friend who is leading the Government forces here (Hon. Mr. Aseltine) to give us this information, but I do say to him, as I say to this house, that we are entitled to that information.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Crerar: As far as I am concerned, I cannot take any other position. I am not opposed to old age pensions, but I cannot see the sense of digging into the treasury for another $125 million per year when we are running further into debt every day of the week in our public finances. It is not only an irresponsible policy, but an irrational policy. I trust I have made my position clear.

At the moment I am opposed to this legislation. If our finances get into good order in the future I would have a different view of it. Unless the Government can give us the information we are entitled to have as to how it proposes to finance these increased

expenditures, I cannot, for the life of me, see how in good faith and honour this house can support it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Macdonald (Cape Breton): Honourable senators, if it is the wish that this bill be sent to committee, I will move to so refer it.

Hon. Mr. Macdonald (Brantford): I am sure it is the wish of honourable senators that it be referred to a committee.

On motion of Hon. Mr. Macdonald (Cape Breton), bill referred to the Standing Committee on Banking and Commerce.

DOCUMENT TABLED

FURTHER SUPPLEMENTARY ESTIMATES

Hon. Walter M. Aseltine: Honourable senators, I now have the further supplementary estimates, and I ask leave to table this document.

Hon. Senators: Agreed.

Hon. Mr. Aseltine: I am sure honourable senators will each receive a copy of this document in his post office box soon, if it is not already there.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. J. W. de B. Farris: Honourable senators, I am sorry that the royal assent interrupted my speech yesterday afternoon because I was going full steam at that point, and after listening to some of the doleful predictions made today I have somewhat cooled down. However, that does not mean I am not in sympathy with what I have heard today.

You will recall, honourable senators, that yesterday I had divided my speech into two parts, the first being how we are best to protect ourselves against a threatened war with Russia, and I had pretty well concluded that.

I had before me the problem that Canada is facing with regard to Cuba, and I had quoted figures showing that Russia had supplied to Cuba large amounts of war munitions. I was about to supplement that with a statement as to the value of goods we sold to Cuba in the first nine months of 1961 in contrast with the same period in 1960. I now give those figures.

In the first nine months of 1961 Canada exported $21,500,000 worth of goods to Cuba, an increase of $14 million over the corresponding nine months of 1960; that is to say, the exports jumped from $7,500,000 to $21,500,000 in a nine-month period. I want to point out, honourable senators, to that extent Canada was destroying the effect of the American policy to bring pressure on Cuba to protect us all, Canada just as much as the United States.

Now, honourable senators, that amount of money, some $14 million, standing alone in trade in these days would not be so important, but the thing that makes the greatest importance in connection with it is how much it is affecting our relationship with the United States and how much in connection with that effect on our relationship with the United States is it giving the ha! ha! to Mr. Khrushchev. That is the serious matter.

Now, honourable senators, in that connection only this morning I received one of the Soviet news bulletins. I suppose practically every senator in the house receives these except my good friend from New Westminster (Hon. Mr. Reid).

Hon. Mr. Reid: I stopped them coming to me some time ago.

Hon. Mr. Farris: Senator Reid at one time spoke right out in church and criticized these things coming through the mails, and I understand he did not get them any more.

Hon. Mr. Reid: That is right.

Hon. Mr. Farris: Well, you have not missed much.

But this morning, honourable ladies and gentlemen, I got mine. I always get them in Vancouver but this one came to me here in Ottawa today. It is dated February 6, and is headed *Soviet News Bulletin*. It is signed, "With fraternal greetings, N. Khrushchev". It is directed to the Second General National Assembly of the Cuban People. I read:

> To Prime Minister of the Republic of Cuba Fidel Castro Ruz,
> Dear Friends,

Now, honourable senators, I shall not bother littering the record with all that is in this bulletin, but let me read one paragraph. And mark you, this was dated the sixth day of this month. I read:

> Cuba is not alone. The militant movement of solidarity with Cuba which keeps mounting in Latin American countries . . .

And I stop to ask, what is the explanation of it mounting? Is it not the fact that Cuba,

with the assistance of Russia, is poisoning the minds of these people as far as it can go, and isn't their policy helping to achieve that? Let me read on:

> The militant movement of solidarity with Cuba which keeps mounting in Latin American countries and in all parts of the globe, will help the Cuban people to frustrate the evil plans of the American imperialists and their servitors. Just as it is impossible to bring back the yesterday, so it is impossible to stop the movement of the peoples to independence and liberation . . .

This is coming from Khrushchev.

> . . . liberation from the imperialist yoke and slavery.
>
> The movement . . . of what is the Cuban Revolution, the heroic battle of the courageous Cuban people for the freedom and independence of their country—is near and understandable to us, Soviet people, who gained independence in a fierce struggle and who are now building a communist society. The peoples of the Soviet Union are always with you, dear Cuban brothers.

And what are we told by the Prime Minister of this country?—that he proposes to continue carrying on normal trade with Cuba. It is inevitable, honourable senators, that the gravest friction is threatened by that conduct. To my mind, it is comparable to the situation which arises during a strike and the element of labour that tries to break it. By means of a strike a union seeks to better the conditions of its members, and in order to do that it is prepared to sacrifice their wages, for the time being. Then, sometimes, other workmen cross the picket line and they are called "scabs" or "scab labour".

To apply the comparison in this case, the United States—the greatest nation standing for freedom on this continent, the one nation without whose help and sacrifices we in Canada would never have a chance in the world —has decided, not for selfish reasons, not for spite, but as one step towards the protection of the free world, to put the heat on Cuba by the complete denial of trade with Cuba, as I understand it, except with regard to medicines and incidentals that are absolutely essential.

That being the policy of the United States Government, what is the policy of the Canadian Government? Is our Government cooperating with the United States? The Prime Minister says that our policy will not be dictated by Washington, but will be decided at Ottawa. Nobody has any objection to that declaration, standing alone; nobody objects to our policy being decided in Ottawa. Of course it will be done here. What I personally object to is the kind of policy that the present Government decides in Ottawa. That is where the shoe pinches, and that is where they are wrong. When the Canadian Government makes that kind of jury argument and expects us to follow it, it is not giving due regard to the serious menace with which we are faced at this time.

I have no hesitation in making this comparison, and just as honest labour will resent to the limit the attempts of scab labour—

Hon. Mr. Pearson: I object to the honourable senator comparing the Prime Minister to scab labour.

Hon. Mr. Farris: I did not compare the Prime Minister to scab labour.

Hon. Mr. Pearson: You are saying that the United States Government is comparable to union labour, and that the Canadian Government and Mr. Diefenbaker are comparable to scab labour.

Hon. Mr. Farris: If you think that is where the cap fits, you can put it on and wear it.

Hon. Mr. Pearson: That is what you are saying.

Hon. Mr. Farris: Speaking of scab labour and what is happening here in Canada, I say that by increasing threefold our exports to Cuba we are attempting to defeat the basic principle by which the United States is trying to bring pressure to bear on Cuba. It is not merely a question of trade; they are bringing this pressure to bear to help maintain the safety of the North American continent and the whole of the free world. If my honourable friend wishes to draw his own conclusions, he is welcome to do so.

Honourable senators, is there no irritation arising from this situation? Is it not aggravated by Mr. Diefenbaker's statements?

I have before me an article written by Mr. Arthur Blakely in today's *Gazette*. His articles frequently appear in that newspaper, and I take it that that newspaper stands sponsor for what he writes. This article deals with the resentment that is being felt in the United States as a result of Canada's trade policy towards Cuba. I wish to read only one paragraph:

> U.S. irritation over Canadian trade with Cuba is as real as it is deep. Many Americans resent the fact that, as a result of the U.S. embargo, Canada has managed to occupy, in part at least, a trading position once held exclusively by the United States. Canada's own restrictions on exports to Cuba are neither

> known nor understood. Canada is portrayed as a sharp trader less interested in the maintenance of democratic principles and the free world than in a trading advantage.

I am not here to say that is correct, but I am here to say that it is obviously just what you would expect people in the United States to feel about Canada's conduct in this matter.

I said yesterday that Khrushchev's policy was to divide and conquer. Can you imagine anything more pleasing to Mr. Khrushchev, in carrying out that policy, than the creation of this situation right now?

Mr. Schlesinger, who is an adviser to the President of the United States, was in Vancouver the other day and he offered criticisms of this situation. Mr. Howard Green has also dealt with this subject, but I am sorry he dealt with it in the manner in which he did. I think a great deal of Mr. Howard Green; I think he is about the best minister they have in the present Cabinet. I would have expected him to justify what Canada is doing, but in reply to the criticisms of Mr. Schlesinger he merely said it was very wrong of that gentleman to make such statements in Canada. That may be right, but what a trifling answer that is concerning the grave situation which impelled Mr. Schlesinger to make those statements. Mr. Green said not a word to justify the Government's policy. I ask the honourable Leader of the Government, has there been any word of explanation offered as to why Canada is refusing to co-operate with the United States in connection with this grave problem?

The United States has now gone even further; it has declared almost total exclusion of exports to and imports from Cuba. And what do we hear Mr. Diefenbaker say? —that we are not exporting munitions of war. What justification of policy is that? Who can imagine the Prime Minister of Canada ever allowing munitions of war to be exported to a country like Cuba?

Honourable senators, do not forget the fact that Cuba is now a communist country. Castro has declared himself a colleague of Khrushchev, and we have this slobbering statement of Khrushchev which came in the mail today.

I predict that even this Government of ours will see the folly of its policy and mend its ways. If it does not, it will create a lot more trouble. That is all I wish to say on that point.

Hon. Mr. Hollett: Would the honourable senator allow a question?

Hon. Mr. Farris: If it is more pertinent than the one you asked yesterday.

Hon. Mr. Hollett: Am I allowed to ask a question of the honourable senator?

The Hon. the Speaker: Yes.

Hon. Mr. Hollett: The honourable senator says that he is predicting something concerning the present policy of the Canadian Government and that of the United States. I wonder if he made any prediction concerning the abortive invasion of Cuba which the United States attempted a short time ago. Did he think that was the right policy?

Hon. Mr. Farris: What has that to do with the present discussion?

Hon. Mr. Hollett: It has a lot to do with it.

Hon. Mr. Farris: Does my honourable friend say that Canada is adopting this policy today in retaliation for that fiasco which happened some months ago? If he does not, then I do not know what he is talking about.

That is all I have to say on Cuba, and I invite this house to watch with the gravest apprehension the development of this situation which has been so needlessly created by the folly of the present Government.

The second topic I mentioned yesterday is Canada's trade and industrial relations with the United Kingdom, and other countries in and outside the Commonwealth. These matters are, of course, very closely related. The question of our independence in relation to Russia, the question of our success in heading off a war with Russia, and the question of our own trade relations within the Commonwealth and with other countries are very closely related.

To me the greatest problem at the present time is the proposal of the United Kingdom to enter the European Common Market. I assume there may be honourable senators here who are not any more familiar with the details of the Common Market than I was until, for the preparation of this speech, I made some special efforts to get to the bottom of it. I found that the policy was formulated on January 1, 1958 by the Treaty of Rome, the parties to which were France, West Germany, Italy, Belgium, the Netherlands and Luxembourg. The total population of this group of six countries is 171 million people, and the authorities I have read estimate it is likely, by the joining of other nations, that another 100 million will be added, so that there will be 271 million people in this Common Market. The policy—and I am speaking very generally on this—is a combined political and trade union, and its aim is free trade within the area and a common tariff against other countries.

If any honourable senator here wishes to turn to a convenient place to obtain much

more detailed information on the European Common Market I commend to him the source of my information, namely, Mr. Christian Herter's writings in the *Saturday Evening Post*. A full discussion of the whole question can be found in an article in the issue of that journal of January 6 last. I commend it to anybody who wants to read it, because the *Saturday Evening Post* is a widely read paper with a new policy, and it has assumed the responsibility of selecting Mr. Christian Herter as the best authority in the United States to write about the Common Market. His article is well worth reading.

I have not the exact quotation, but from my general reading months ago I say there is no doubt that the Prime Minister of the United Kingdom decided to seek entry into the Common Market for just one reason, that of dire necessity arising from trade and financial conditions in his country. I do not think anybody can deny that that is so. Naturally, that poses a grave problem for Canada. I note from a speech made by Mr. Hees in Vancouver, and reported in the *Gazette* of January 29 last, that 20 per cent of our exports go to the United Kingdom, and of that amount 95 per cent goes in free, and that 50 per cent of that free entry is under Commonwealth preference.

Those are very important matters, honourable senators, and, rightly or wrongly, Canada has to decide just what her policy must be.

To my mind—this is my opinion obtained from my study, and I give it to you for what it is worth—it is impossible for the United Kingdom to enter that Common Market and preserve intact these preferences it now gives to Canada and other countries of the Commonwealth. I believe, and I cannot find any argument of a substantial nature to the contrary, that Britain will have to decide whether to abandon the preferences and join the European Common Market, or abandon joining the Common Market in order to preserve her preferences to the Commonwealth nations.

The first thing I think we ought to consider is what course will serve Britain best. I submit, and I do so with confidence, that Britain, after the study she has made of this whole question and after all the comments which have been made are considered—and I shall give you some of them—will be better served in the cold-blooded financial situation by going into the Common Market than by trying to preserve her preferences to the Commonwealth.

Well, what about Canada? Canada has to look at those same two alternatives. She has to look at them from the cold-blooded financial standpoint and consider which is best for her. She has to consider whether she should forego these preferences and seek other markets, and a competitive market in a prosperous Britain, or to hold Britain out and let her suffer the financial destitution which may come to her by ignoring the Common Market.

Now, if I were to offer you my opinion on that His Honour the Speaker would be very right in warning you that it would not amount to very much, but I think every honourable senator present, including His Honour, will agree that the best source of information as to what is going to happen to Canada if there is an impoverished Britain hanging on to our preferences, or if there is a prosperous Britain giving us an opportunity in the field in fair competition, is one of the great leaders of industry in Canada who fortunately made a speech on this subject the other day, namely, Mr. Robert M. Fowler, the President of the Pulp and Paper Association.

My good friend the *Gazette*—I say "my friend" because I am falling back on it so much—has in its issue of January 27 of this year a full page report on Mr. Fowler's speech. I obtained a copy of the speech—as perhaps other honourable senators did—from the Canadian Pulp and Paper Association, but this is what the *Gazette* says at the beginning of its report, which is published together with a picture of Mr. Fowler:

> The leader of Canada's vital pulp and paper industry—whose exports are a major factor in the country's balance of trade—came down solidly in favour of Britain's entry into the Common Market yesterday.
>
> President of the Canadian Pulp and Paper Association, R. M. Fowler, predicted great things for Canada from Europe, when he addressed a closing luncheon of the Association's convention in Montreal.
>
> But there was a big "if" in his optimism.
>
> "My concern at the moment," he warned, "is whether we really know where we want to go and have any sufficient road-maps to get us there. It is a choice..."

This is not a political speech, honourable senators; this is a speech by the president of an association which is one of Canada's greatest exporters and which is affected by the preference, perhaps more than any other industry in Canada. The president is not talking to these men about politics; he is talking to them about the fate of their business. He said:

> It is a choice between exciting opportunities for growth; and stagnation. And the world will not wait for us to make up our minds.

I read further from these quotations, because they shorten what I might have to say as to Mr. Fowler's speech.

> Britain's position in the economic situation was summed up simply—"the plain fact is that the British economy is carrying too heavy a load."

That is a mild way of saying what the Prime Minister of the United Kingdom said when he first announced that Britain was seeking entry. I think others will agree with me that Britain's financial and industrial difficulties seem to be desperate, and that Mr. Macmillan's determination to seek entry into the Common Market indicates that he was driven by grim necessity caused by the downward trend of British industry and trade. Mr. Fowler puts it this way:

> ...the plain fact is that the British economy is carrying too heavy a load.
>
> Either the economy must be expanded or the load reduced.
>
> Whether Britain fails or succeeds in present entry negotiations, the British market of the last few years will not continue."

He is saying this to all the men in this business across Canada, who were assembled at a luncheon.

> Britain's position in the economic situation was summed up simply—"the plain fact is that the British economy is carrying to heavy a load".
>
> "Either the economy must be expanded or the load reduced."
>
> "Whether Britain fails or suceeds in present entry negotiations, the British market of the last few years will not continue."

This is what he is telling his associates whose whole stake in business is involved. He says:

> "We will face something new whether we like it or not. Canada is likely to do better with a growing prosperous Britain than with a stagnant one."

Mr. Fowler told his audience that he had anticipated this question and had sent two commission experts to Europe to study this whole question, and his own studies and the reports of those commissioners resulted in this statement. I want to repeat that last quotation because it is the key to the whole problem we have to face:

> Canada is likely to do better with a growing prosperous Britain than with a stagnant one.

If I should read his whole speech, which time will not permit—

Hon. Mr. Aseltine: We have all read it.

Hon. Mr. Farris: If that is the case, it is too bad the Government has not taken the honourable leader into the Cabinet, for he could give them some mighty good advice.

What should Canada's policy be in this connection? I put this problem to the house in two ways: first, from a grim cold-blooded economic consideration and, secondly, from a sentimental consideration that Canada is part of—I often say the empire because that is what I was brought up to think—the Commonwealth today.

I see clear evidence that Canada has overlooked the essentials and has allowed itself to be unduly carried away with a concern about a preference, one that businessmen like Fowler say we cannot hope to continue anyway. Let us see what has been the policy of these members of the Government of Canada. I should like to quote from an editorial by Mr. Christopher Young appearing in a good Ottawa newspaper, the *Citizen,* on January 27.

In this editorial Mr. Young discusses certain attacks made on his reporting of the policies of Mr. Hees and Mr. Fleming at the Commonwealth Economic Conference at Accra in September. I understand that Mr. Young is now the editor of the *Citizen,* and those of you who read his article will recall that Mr. Fleming accused him of slanting his reports on the grounds that he was related to Mr. Lester Pearson's wife. That seemed to get Mr. Young's goat, and I do not blame him. He says:

> For the past four months, I have sat still while Finance Minister Donald Fleming informed the country that the news reports from Accra had been distorted, misrepresented or false.

He gives an accurate statement of his report and names the other reporters and what they said. I propose, with the consent of the house, to read what they said because it is nicely assembled here.

> Let's examine the actual news reports from Accra.

Actually, Mr. Young was in Ghana. It will be recalled that that is where Mr. Macmillan was and it was also there that the reporters received their news on policy from the Canadian authorities. Mr. Young goes on:

> Mr. Fleming took particular exception to a dispatch of mine which began: "The nations of the Commonwealth, led by Canada, have ganged up on Britain and formally declared their opposition to British membership in the European Common Market."

I do not think there were any denials of the accuracy of that dispatch at the time. Mr. Young continues:

> Clark Davey, correspondent for a Conservative Toronto newspaper, the *Globe and Mail*, began one of his dispatches with these words:
>
> "Commonwealth members, with Canada's Trade Minister George Hees making the keynote speech, emphatically told Britain today that she must choose between the European Common Market and the Commonwealth."

I am sure that most of us remember seeing that in the papers. The article goes on:

> Alan Donnelly, the correspondent of a carefully non-partisan news agency, the Canadian Press, began a dispatch thus: "Trade Minister George Hees of Canada led a concerted attack by a number of Commonwealth countries today on Britain's move toward the Common Market."
>
> Fraser Wighton, of the British news agency, Reuters, wrote: "The finance ministers of all Commonwealth nations except Britain expressed grave apprehension and concern tonight over Britain's bid for membership in the European Common Market."

Mr. Christopher Young goes on to say:

> These reports all said the same thing in different words: that Britain's plan to seek membership in the Common Market was opposed by the other nations of the Commonwealth. The three dispatches written by Canadians added the information that Canada was leading the opposition to the British plan.

There is a lot more here I could read with interest but, to save time, I will skip it. Further on he writes:

> Personally, I was incredulous about the tone of the Canadian speeches, as relayed through official channels.

They received them from the ministers' secretaries. He goes on:

> To double-check on the attitude of the ministers, I sought an interview with Mr. Fleming on the final evening of the conference. I talked to both Mr. Fleming and Mr. Hees. They left no possible doubt about their stand. As a result of this interview, I wrote a further dispatch, which began: "Canada has launched an all-out campaign to keep Britain out of the European Common Market."

There has been somewhat of a change of front since then. Why? It is simply because the Government began to realize the people of Canada are not in sympathy with that attitude, and I say that the electors, who are likely to have a chance to express their views before long, are satisfied that in consideration of these matters Canada must take the view that businessmen are taking, that Britain, even under a preference, will not be of much use to us if she is shut out of the European Common Market and denied a share in the great prosperity those countries are enjoying, and becomes instead a more decadent financial country than she is today.

Honourable senators, I have quoted from these statements to show this wrong attitude. In all this talk I never heard anything from Mr. Fleming, Mr. Hees, or even Mr. Diefenbaker about wanting to stay with Britain in order to help Britain's financial position—it has all been for Canada. Well, if they can satisfy themselves that the decadent British market is better than a prosperous market in competition with the rest of the world, all right. But I say that is wrong.

Then there is the sentimental side to this question, and it is a mighty important one. Why is Britain in her present position? It is because she carried the burden of the Commonwealth more than did any other of its members. Of course, Canada contributed financially but she did not suffer financially by reason of that contribution; in fact, at times she prospered from it. Britain, of course, sacrificed her young men. I would like to hear from the Government an expression of consciousness of the duty of the Canadian people in regard to the great step Britain feels she must take. I would like to hear some sentiment expressed, not overlooking our own interest in the Canadian economy, that we will go a long way to back up Britain, so she will not be obliged to sacrifice the opportunities she believes lie ahead by joining with Europe in a great international free trade area. I would like to hear the Government say, as Mr. R. M. Fowler said, that not only would we be meeting our sentimental obligations, but we would be better off in the long run, and would develop just as the pulp and paper industry in Canada has developed.

Honourable senators, I have only outlined my views which I would like the authorities to support. I invite the Government, and my honourable friend the Leader of the Government in this house (Hon. Mr. Aseltine) to consider these matters in a way that has not been done before.

I want to conclude with this observation, that thinking over all these different matters —the question my colleague from Churchill (Hon. Mr. Crerar) raised, the financial position this country is in today compared with 1958, and all the predictions that have been made—one of the serious problems as I see

it is the fact that Mr. Diefenbaker is a strong believer that everything he has done is right, and therefore if the people re-elect him on his assurances they will get very good government for the next four years—the same kind of government they have had in the past. If that is what the people want, that is what they deserve.

Hon. Mr. Aseltine: Why attack the Prime Minister all the time?

Hon. Mr. Farris: I do not understand.

Hon. Mr. Aseltine: You are attacking the Prime Minister.

Hon. Mr. Farris: I am attacking his policies.

Hon. Mr. Aseltine: It does not go over with me.

Hon. Mr. Farris: It doesn't?

Hon. Mr. Aseltine: No.

Hon. Mr. Farris: Well, that is too bad, and I am sorry, because my friend is a very sensible gentleman. I am not attacking Mr. Diefenbaker, I am attacking his policies. That is a proper thing to do in this house, and it is especially proper when we find at this time that bills are being rushed in, as the honourable senator from Churchill (Hon. Mr. Crerar) has pointed out, before the budget has come down, before the estimates have come in, and before we know where the money is coming from. There can be only one reason why that is done—to get them in before the coming election. As far as Mr. Diefenbaker is concerned, if he were to come before the people at this time with a recognition of the shortcomings of his Government in the past, with a frank confession of its inexperience, and confessing its shortcomings in dealing with unemployment and other problems—if he came in sackcloth and ashes and said, "We have done the best we could, we have fallen far short of what could be done, but give us another chance and we will try to improve"—that might justify people in giving him the vote. But when he comes before us and assures us that he has given good government and we cannot expect anything better in the future, then I say I may even be moved to depart from my usual custom and say something on the hustings about it. I think it is time for a change.

Hon. Donald Smith: Honourable senators, let me say at the outset that I shall be very brief. I did have some thoughts closely allied to some of the remarks made so well by the distinguished senator from Vancouver South (Hon. Mr. Farris). This is not the first time that I have had the misfortune to follow such a distinguished orator, and the experience is not a comforting one.

I wish briefly to extend my congratulations to the mover, (Hon. Mr. Méthot) and the seconder (Hon. Mr. Hollett) of the address in reply to the Speech from the Throne. Perhaps I should first mention the senator from Burin (Hon. Mr. Hollett), because he is one of our new members. I was pleased to hear him speak in this chamber of his pride in his own native province. I agree with him that Newfoundland has certainly brought into Confederation more than a troubled fishing industry. It seems to me that a great many people in the mainland part of Canada have a misconception of the contribution Newfoundland is making today, and will make ever increasingly in the future, to the economy and the cultural and social life of Canada. She has great resources, particularly those human resources which many of us have become acquainted with over the years, in all the fields I have mentioned. She has material resources, some developed to some extent and many others yet undeveloped. She has great possibilities for the development of hydro-electric power, perhaps the greatest in Canada; she has huge forest stands and wealthy mineral resources. Honourable senators, we look to the time when Canadians without exception will, through a new understanding, appreciate that it was a great event when Newfoundland came into Confederation.

I congratulate the senator from Shawinigan (Hon. Mr. Méthot) on the honour of being chosen to move the address in reply to the Speech from the Throne. I regret that he is not in the chamber at the moment. As we expected, he performed his duty in a very able way. I also congratulate him in finding in the Speech from the Throne some particular reference to his own province. I am sure it must have made him happy to find a little package of goodies wrapped up in that speech. I join in his happiness and that of his people in the pleasure they may derive in the future by being able to get a free ride over the Victoria and Jacques Cartier bridges, and I rejoice that he will be able to use his parliamentary pass on the new railway to be built in the Gaspé peninsula.

Honourable senators, of course it is rather a matter of regret that there was no mention in the Speech from the Throne of some of those positive steps we might have expected in an attempt to solve the chronic problems of the Atlantic provinces. In fact, I recall no special mention of the Atlantic provinces' problems in any Speech from the Throne

since the one just previous to the 1958 election. This may be an indication that there will be another session of Parliament before this Government goes to the people and that those important steps we had been looking for during the past four years may be mentioned in the next Speech from the Throne.

A blueprint for the economic progress of our provinces down by the sea was certainly available to the present Government in the Gordon Commission Report which was published in November, 1957. Some of the proposals made by Mr. Gordon and his commissioners had been put out to the public in a rather distorted form, and I think many people, not only in the Atlantic provinces but in some other parts of Canada, lost sight of the particular attention that he and his co-workers paid to our problems and to the suggestions he made to future governments as to what they might do to get at the root of some of our economic problems.

Many of us in Nova Scotia are wondering what has happened to the comprehensive study of transportation problems in the Atlantic region. A special committee was established four or five years ago to make a detailed study of freight rates and transportation problems in our provinces, and when the Royal Commission on Transportation was appointed, its scope was to include a study of our particular regional problems. The work of the special committee apparently was more or less abandoned—at least, we have heard nothing more about it. We are disappointed that the royal commission report, now known as the MacPherson Report, made no suggestions helpful to the provinces in the Atlantic region. As a matter of fact those who have made a serious study of such problems have stated publicly to the effect that the recommendation for the removal of some of the benefits which we now receive under the Maritime Freight Rates Assistance Act cannot help but have a very adverse effect on our transportation problems.

Mr. Gordon in his commission report recommended a capital project commission for the Atlantic provinces, a centralization of Government purchasing policies, and that other equally important matters be dealt with. I am rather confident that this Government, or one that may in due course succeed it in office, will eventually pay more attention to and implement some of the recomendations of the Gordon Commission upon which some of us based high hopes for rapid improvement in economic and social welfare of our region of Canada.

I might add, that all the special studies made by the Atlantic provinces economic council have confirmed the soundness of Walter Gordon's recommendations.

I do not intend to go any further with this subject at this time because my time is short and I have spoken on it in great detail in the past.

I now turn to a subject which is closely allied to some of the remarks made by the distinguished senator from Vancouver South (Hon. Mr. Farris) in his speech of yesterday, and which I think is of the greatest importance to Canada, to the Atlantic region and, perhaps, through the knowledge I have of the local situation, particularly to my own province of Nova Scotia.

The history of the commerce of Nova Scotia until Confederation in 1867 was recorded in an economic climate in which the fair winds of free trade filled our sails and sent our products out over the sea to foreign markets; and, as I have said in this chamber on previous occasions, with Confederation came the necessity of changing our pattern of trade from one carried in Nova Scotian ships, built and manned by Nova Scotians, to an expensive land-transported and artificial east-west pattern, dictated by our obligations in becoming part of an economy whose growth was to be influenced by the national protective policy of the day. This was our price for Confederation.

It was almost a half century after Confederation that the first opportunity presented itself for a return to a policy which would have restored our national free trade pattern. Some of you will remember the details of what I am about to say a great deal clearer than I, but let me remind you of the situation that existed then.

The election of 1911 was tagged as the "reciprocity election", but other matters were introduced in that campaign which diverted attention from the real issue. Because of these diversions, the producers in Nova Scotia were evenly divided in their political choices, as were the farmers of the western provinces. The result, of course, was the defeat of Sir Wilfrid Laurier and the destruction of hopes for reciprocity.

Another half century has now elapsed. With the closing of this fifty-year period, the greatest economic opportunity that Nova Scotia ever had, or perhaps ever will have, is beginning to form up. This time the opportunity presents itself in a much expanded form which, if steps are taken at once, can be the means of rescuing the whole Canadian economy from what now appears to be an uncertain future of economic stagnation.

This new opportunity began to take shape in Europe with the formation of the two trading blocs known as the European Economic Community and the European Free Trade Association, to which reference has been made from time to time in this chamber. I believe it must have been as a result of the tremendous success attained by all members of the European Common Market—otherwise known as the EEC—that nations outside this bloc soon showed a real interest in becoming associated with it.

We are all familiar with the attempts now being made by Britain to become a member of the Common Market. That subject was covered very well indeed in the remarks of the honourable senator from Vancouver South (Hon. Mr. Farris).

The early rays which dimly lighted the dawn of a new day of trading opportunities for this country emanated from the British offer of several years ago to join with Canada in an agreement for freer trade. This candlelight of hope for a change of policy was, however, snuffed out by the quick rejection of the proposal by the Canadian Government.

Honourable senators, the year is now 1962, and the shape of things to come is being brightly illuminated by the dynamic and forward-looking President of the United States. In his recent message to Congress you will recall that President Kennedy asked for unprecedented new tariff-cutting powers which he and his advisers, with complete endorsation of some members of the previous Republican administration, believe are needed quickly to deal with Europe's emerging economic giant, the Common Market, of which most people believe Britain will soon be a member.

This startling request to Congress is for the power to gradually and completely wipe out tariffs on some classes of manufactured goods and to slash all other duties by 50 per cent. The legisaltion which the President has submitted to Congress, known as the Trade Expansion Act, contains peril point and escape clauses, but they are made much more difficult to employ and are not the usual props of the protectionists, as someone has put it. The legislation I believe is well balanced by the inclusion of safeguards in the form of special benefits for both workers and employers in those particular industries which may be affected by imports. I think this is something that our Government could give close attention to indeed.

It is nothing less than exciting for us Nova Scotians to visualize what our economic future could be if right now we were able to take advantage of this new opportunity for the eventual establishment of new trading patterns. But if history continues to repeat itself, another half century will elapse before such opportunities as we appear to have at this very time will be presented to us again.

Nova Scotians, especially, cannot afford to let this opportunity pass without pointing out and clarifying as best they can what we believe to be the direct long-term benefits to our economy. Canada's joint participation is needed now in this bold new approach to trade which eventually should lead to a prosperous future for those countries of the free world which choose to join in these efforts. We cannot afford to wait too long or we may find ourselves in an inferior bargaining position.

Honourable senators, I should now like to deal for just a few minutes with the importance and direct implication to the people of the Atlantic provinces of this new opportunity for freer trade.

It has been agreed by, I think, all thoughtful students of our Nova Scotian economy that the soundest basis for the expansion of our employment opportunities lies in the development of industries based on our natural resources. In line with this viewpoint may I point out that this new approach to trade provides the greatest opportunity the fishing industry has had for many, many years to expand its market in the United States. Not since 1939 has the Canadian Government been able to secure an agreement with the United States for a reduction of the tariff on groundfish fillets. On a number of occasions in the past the United States Tariff Commission has recommended an increase in this tariff of one cent per pound but, fortunately, the proposed increases were vetoed by the President after consultations with Canadian representatives. Now for the first time in many years, the administration of the United States is asking Congress for authority to slash all tariffs by 50 per cent. It is reasonable to assume that this reduction in the tariff will include our fillets, some of which are now liable to a duty of 2½ cents per pound. It would include our blocks of frozen fillets, presently dutiable at one cent per pound, and our pre-cooked fillets, now dutiable at a rate of 30 per cent. Such reductions should at least remove these exports from their present marginal position and provide an incentive to expand the fishing industry. Based on the quantities of such exports a few years ago, the industry would benefit from the proposed tariff reduction by an estimated $1¼ million on fillets alone. Based on the expected increase in exports of all three classes of fish, this amount would indeed be a great deal larger.

One can reasonably conclude that the future for the fishermen, fish handlers, and employers would be brighter if there were

no further delay in stating Canada's willingness to join with our American friends in taking a new look at our present trade barriers and doing something about them.

Honourable senators, there is one segment of our Atlantic economy which, without doubt, it is agreed by all, would benefit the greatest in the long run from Canada's association in these new international trading agreements which are being explored, and that is the pulp and paper industry. Although the present market for pulp and paper manufactured in my home province, Nova Scotia, is principally in the United States, our industry clearly realizes that it is the world demand for these products which determines the future health of the industry. It has been agreed that it is the Common Market, as well as the United States, from which future demands for pulp and paper will come.

Sir Eric Bowater, perhaps the greatest world figure today in the pulp and paper industry, is the chairman of the board of the Bowater mills which are located in my home town and in that of the honourable senator from the west coast. Almost a year ago Sir Eric stated that at this time of transition Canada had to come to terms with Europe, and that in the long run it would be to Canada's advantage—and, he added, particularly the Atlantic provinces. He regards the Common Market area as one of the most dynamic centres in the world, with a population of 170 million educated people. He is certain that Europe is a growing market for newsprint and, since it is as far behind Britain in packaging as Britain is behind North America, it will soon demand much larger quantities of other pulp and paper products.

Reference has already been made to some of the remarks passed just last month by Mr. Robert M. Fowler, President of the Canadian Pulp and Paper Association. To keep my flow of thought, may I just reiterate what has already been said this afternoon in that regard?

Mr. Fowler regards the European Common Market as our long-range chance, and has said that the answers we give to the urgent questions of commercial policy will determine the trend of Canada's future prosperity. These words may have been quoted earlier, but I believe they bear repetition. During the course of an address which he delivered in Montreal last month he said:

> We have a choice between exciting opportunities for growth, and stagnation.

He also said:

> The world will not wait long for us to make up our minds.

If Nova Scotians want their pulp and paper industry to be healthy and to expand in the future they should certainly press their case for the immediate adoption by Canada of a freer trade policy, and one stated in definite terms.

There are other segments in the Atlantic economy which would benefit greatly from an association with freer trade arrangements. It is understood there is a scramble for wood today in Europe, and the demand is rising. It is therefore obvious that lumbering would benefit, as would the other forest products I have mentioned, from the European long-term demand.

Nova Scotia has had a recent and quite important expansion in its food-processing industry, and certainly the availability of export markets in the future, through new trade arrangements, would influence further development. The growth of exports from all parts of Canada would, of course, be accompanied by increased port activity, especially in Saint John and Halifax. Those great ice-free, all-year-round ports would have much to gain from the benefits which would flow from a freer trade policy.

I feel sure that the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), who has not been able to be present these last few days, would agree with that statement, and I would not be at all surprised if he had something to say by way of enlargement on it.

Honourable senators, there is a classification to which all of us belong, and whose interests often seem to become lost in the constant scramble for positions of preference and protection. A freer trade policy, stated by a spokesman for Canada in the same definite and positive language as was used by the leaders of the European countries, and more recently by President Kennedy, would give hope to the two million consumers of the Atlantic provinces.

It seems reasonable that as stiffer competition from foreign goods is met by cooperative and realistic attitudes towards taxes, wages, profit and efficiency in Canadian industry, the consumer of those goods is most certainly bound to benefit.

Honourable senators, in closing I want to say that a new look for Canada's position in a rapidly changing world economy is being urged by responsible businessmen, and even labour leaders, wherever and whenever they have an opportunity to express their views in public. I have already referred to one Canadian, Mr. Fowler, whose name, by the way, should be familiar to all as the Chairman of the Royal Commission on Broadcasting, and whose reputation for possessing a

keen grasp of all facets of Canadian life has been enhanced by his important and helpful contributions to the Senate's studies on inflation and unemployment. Many others who have established national reputations in the business world have for some time been pointing out the necessity of Canada accepting the fact of a changing pattern of world trade, and have been urging the political leaders of our country to lose no time in declaring a positive policy in relation to this change.

Such views were the central theme of the recent annual meeting in Halifax of the Canadian Chamber of Commerce. Nova Scotians should rejoice that at last the time has arrived when the need for a positive approach to freer trade is being so widely considered as a national need. We emphasize that need with particular reference to the prospects for our long-term access to the European Common Market, as well as to the future expansion of our trading opportunities with, for us, the greatest common market of all, that federation of states just across the border where there are today nearly 200 million potential customers.

Honourable senators, I am sure there would be cause for enthusiastic rejoicing and celebration in my home province, at least—and, I believe, all over Canada—in 1967, the centennial year of Confederation, if before that time there were evidence that Canada's leaders recognized the need for positive action to join the crusade for freer trade, which has as its ultimate aim the establishment of peace through prosperity for all free people.

On motion of Hon. Mr. Pratt, debate adjourned.

The Senate adjourned until Monday, February 12, at 8 p.m.

THE SENATE

Monday, February 12, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

OLD AGE ASSISTANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-55, to amend the Old Age Assistance Act.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. John M. Macdonald: With leave of the Senate, I move second reading of the bill now.

Hon. W. Ross Macdonald: May I be permitted to ask if there is any urgency about this matter, and why the rules are not being followed?

Hon. Walter M. Aseltine: Honourable senators will remember that the Old Age Security Bill was given second reading, and was referred to the Standing Committee on Banking and Commerce. The three bills which passed third reading in the other place, two last Friday and one today, are sister bills, so to speak, to the Old Age Security Bill. It is hoped to have a meeting of the Banking and Commerce Committee tomorrow and to consider all three bills at that time. I also hope that the minister will be able to be present at that meeting. For that reason I would consider it a favour on the part of the house to be allowed to proceed with the second reading of the Old Age Assistance Bill this evening.

Hon. Mr. Macdonald (Brantford): That request might apply to the Old Age Assistance Bill and to the Disabled Persons Bill, but is there still another bill?

Hon. Mr. Aseltine: No. One bill, the Old Age Security Bill, has already received second reading here, and there are three other bills to be considered. They are, the Old Age Assistance Bill, the Blind Persons Bill, and the Disabled Persons Bill. I am hopeful that the three bills, together with the Old Age Security Bill, can go to the Banking and Commerce Committee when it meets tomorrow.

Hon. Mr. Macdonald (Brantford): It has been mentioned to me that the committee might not meet until tomorrow evening. If that is so, there would be no urgency. However, I do not intend to hold up the bills in view of what the honourable leader has said. However, with respect to the bill to provide war pensions to certain persons who served as civilians, that measure was not passed by the other house on Friday, and I have not seen it yet. Therefore, I would like consideration of that bill to stand over until tomorrow.

Hon. Mr. Aseltine: I think we could agree on that, honourable senators. The Disabled Persons Bill was given second reading in the other house on Friday and it received third reading today. There are copies of the bill now in the Senate, but the final printed copies have not arrived. However, there were no amendments made to the bill. I was rather hoping we might proceed with the three bills tonight and see how we get along.

Hon. Mr. Macdonald (Brantford): Do I understand that the Old Age Assistance Bill has been passed by the other house?

Hon. Mr. Aseltine: It has been passed.

Hon. Mr. Macdonald (Brantford): That is, it has not been passed by this house—but it was passed in the other place.

Hon. Mr. Aseltine: Yes, on Friday last.

Hon. Mr. Macdonald (Brantford): What about the Blind Persons Bill?

Hon. Mr. Aseltine: That also was passed in the other place last Friday.

Hon. Mr. Macdonald (Brantford): There is another bill, one entitled the Disabled Persons Bill.

Hon. Mr. Aseltine: That bill was given third reading in the other place today. Copies of it are available. If there is any objection to our proceeding with it tonight we could defer it until tomorrow.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Macdonald (Cape Breton) seconded by the Honourable Senator Beaubien (Bedford) that Bill C-55, to amend the Old Age Assistance Act, be now read a second time.

Hon. Mr. Macdonald (Cape Breton): Honourable senators, I propose to give a very brief explanation of this bill.

As honourable senators know, the Old Age Assistance Act, contains the provision that the Government of Canada may make an agreement with a province whereby it will pay one-half the cost of assistance

granted by the province to persons between the ages of 65 and 70 years, under certain conditions.

Under the present act the maximum amount that the Government of Canada contributes is one-half of $55, and the amendment proposed by this bill would raise the maximum to one-half of $65.

The amendment also deals with the maximum permissible income allowed a recipient of old age assistance. Under the present act an unmarried person is allowed to have an income, including the pension, of $960 a year; a married person is allowed an income of $1,620 a year, and if the spouse of a married person is blind, the allowable income is $1,980 per year. Under this amendment the allowable incomes are raised so that an unmarried person would be allowed an income, including this pension or allowance, of $1,140 a year, a married person $1,980, and a married person whose spouse is blind, $2,340.

This, very briefly, is the purpose of the proposed amendment, and I commend it to your favourable consideration.

Hon. Mr. Macdonald (Brantford): Honourable senators, as I understand this bill it will allow persons of over 65 and under 70 years of age, and who are in need, to receive the same allowance as is paid to all persons who are 70 years of age and over, provided the provinces co-operate.

I also understand from what the honourable sponsor of the bill has said, that for a province to co-operate, regarding those who are in need and who are 65 years of age and over, it is necessary for that province to provide half of the monthly allowance of $65.

Would the honourable sponsor of the bill inform the house whether or not it is necessary for all ten provinces to enter into an agreement with the Government before this bill can be put into effect in any one province? If not, could it be that in some provinces in Canada needy persons of over 65 and under 70 years of age would still receive an allowance of $55 a month, while in other provinces such persons would be getting $65 a month?

Would the honourable sponsor of the bill also inform the house as to what provinces, if any, have already agreed to enter into this new arrangement, and if any provinces have intimated that they will not enter into it?

He might also be good enough to inform the house as to the cost of this proposed increase to the federal Government, and how the Government proposes to raise the money.

Hon. Mr. Macdonald (Cape Breton): Honourable senators, as I understand the first question of the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) it was as to whether all ten provinces need to come into the agreement before this arrangement would come into effect. My understanding is that if a province does not wish to come into the arrangement it does not have to. That would, consequently, answer the second question. If a province does come into the arrangement then the recipients of old age assistance in that province will receive the increased allowance up to $65, whereas those in the provinces which do not come into the arrangement will still receive $55.

I cannot give any definite answer as to whether any provinces have agreed to come into the arrangement, but I do know that my own province of Nova Scotia has intimated, in a statement by the Premier, that it will come into this arrangement. As to the other nine provinces, I have no information.

Hon. Mr. Macdonald (Brantford): May I interrupt the honourable senator to ask him if this proposal was put to the provinces last September?

Hon. Mr. Macdonald (Cape Breton): I cannot give an answer to that question. I think we will have to wait until we get into committee for an answer.

Hon. Mr. Macdonald (Brantford): I understood you to say that your province intimated last September that it would come into the arrangement.

Hon. Mr. Macdonald (Cape Breton): That intimation was given after this bill was first mentioned in the Speech from the Throne.

I understand, honourable senators, that the cost to the federal treasury for the first twelve months is estimated at $7,200,000. That would be half the total cost.

Hon. Mr. Farris: That is, if all the provinces come in.

Hon. Mr. Macdonald (Cape Breton): Yes, that is if they all come in.

That brings us, I think, to the final part of the question which is as to how this money is to be raised. I do think, honourable senators, that we are paying too much attention to the method by which this money is to be raised. I believe it would be more fitting on my part if I were to let the Minister of Finance answer that question.

Hon. T. A. Crerar: Honourable senators, this proposal to amend the Old Age Assistance Act does two things. It increases the assistance from $55 a month to $65. That is, of course, contingent upon the provinces joining in the scheme on what is popularly known as a fifty-fifty basis.

The second thing it does is that it enlarges the area in which this assistance will apply

Under the act as it is at the present time the assistance will be given to an unmarried person whose income, inclusive of assistance, is not more than $960 a year. Under this legislation the limit of $960 a year is raised to $1,140 a year. In other words, the limit is being raised by $15 per month.

Hon. Mr. Aseltine: That is, including the old age assistance.

Hon. Mr. Crerar: Of course—no. Let me get this correctly.

Hon. Mr. Pearson: That is right, it is including the old age assistance.

Hon. Mr. Crerar: Yes, that is right. Will this increase not produce a new flock of people wanting to come under the Old Age Assistance Act?

The total limit, with the assistance heretofore, has been $960 per annum. As I say, we are raising that to $1,140. If I understand the situation aright, this will open a new door so that those who are now denied assistance because they do not qualify under the $960 limit will be able to apply for assistance if their income is less than $1,140 per annum.

I would suggest that it is impossible to estimate what the additional cost will be. There has been very little increase in the cost of living, so why enlarge the amount to be paid recipients? I know the increase will be welcomed by those who receive it, but if they are entitled to it now they were entitled to it before. It is a rather interesting speculation as to why this legislation is being brought down at this particular time.

Hon. Mr. Farris: There is no doubt at all.

Hon. Arthur W. Roebuck: Honourable senators, it has been said that this legislation is for the purpose of assisting those in need. I should like to know just who is in need. If there is any greater need today than there has been at any time during the last four years on the part of those who will be in receipt of this assistance, then I am all for it. But is it that the recipients are in need of more assistance or is it that the Government is in need of votes? It is one or the other, and I rather imagine from the look of the legislation and its timing that the real need is on the part of the Government which wants to buy votes with public money. I am glad to help anybody who is in personal need and, as the honourable senator from Churchill (Hon. Mr. Crerar) just said, any increase in this meagre allowance will be welcomed by those who receive it. But I would like to know from the sponsor of the bill who it is that is in impelling need: is it the recipients of this allowance, or is it the Government which is in need of votes which I understand are to be polled very shortly?

Hon. Mr. Choquette: That is a fair question.

Hon. Mr. Roebuck: Yes. Who is in need, the Government or the people who receive old age assistance?

Hon. John M. Macdonald: Honourable senators, since the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has asked that fair question I shall try to answer it to the best of my ability.

Those who are in need are, for example, in the case of single persons, those who receive $960 a year. That is a pretty small amount, and it will still be small when it is raised to $1,140. I take the stand that in this type of legislation we must not be satisfied when we increase benefits, but we must continually strive to improve the legislation for those who really need assistance. I am happy to be able to assure the honourable senator from Toronto-Trinity that the Government is not in need of any votes which may follow from this legislation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Cape Breton), bill referred to Standing Committee on Banking and Commerce.

BLIND PERSONS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-56, to amend the Blind Persons Act.

Bill read first time.

SECOND READING

Hon. Olive L. Irvine, with leave of the Senate, moved the second reading of the bill.

She said: Honourable senators, this bill is designed to amend the present Blind Persons Act in regard to increased payments and allowable income. The cost of this increase, as is the case with existing benefits, will be shared by the federal and provincial Governments.

Ever since the inception of the Blind Persons Act, the federal Government has been well aware of the special problems of blind persons, which is proven by the fact that it is the only assistance act in which the Government participates to the extent of 75 per cent of the cost, not only in the allowances but in special care for these unfortunate people.

As I mentioned before, it will require the agreement of the provinces and territories to give effect to the higher maximum benefits and higher income ceilings. As far as the federal Government is concerned the effective date of these changes will be February 1, 1962. Copies of this bill have been sent to each province, and the Government hopes that all provinces and territories will agree to the changes so that new draft agreements embodying the present proposals will be drawn up without delay. Benefits for this group of society are peculiar to themselves. They are problems for which we all have the greatest sympathy, problems that go far beyond simply providing financial assistance. People who are blind are cut off from more of the good things of life than are any other persons. They need jobs and opportunities in order to participate in the various activities.

Subsection (1) of section 3 of the Blind Persons Act is repealed in order to increase from $55 monthly to $65 monthly the maximum amount of allowance in respect of which contributions may be made under the act.

Paragraph (c) of subsection (2) of section 3 of the said act is repealed and the following proposals are substituted therefor:

(1) With respect to an unmarried person without a dependent child or children, the bill proposes to raise the allowable income inclusive of allowances to not more than $1,380 a year, an increase of $180 a year.

(2) With respect to an unmarried person with a dependent child or children, whose income inclusive of allowances is not more than $1,860 a year, there is a proposed increase of $180 a year.

(3) In the case of a married couple where one is blind and the total income inclusive of allowance of the couple is not more than $2,340 a year, an increase of $360 per year will be granted.

I may say that these new income ceilings are higher than would be necessary to permit recipients to receive the full benefit of the higher maximum pension. The aim of this amendment is to encourage initiative in many by allowing recipients to have greater outside earnings, where possible, without reduction of assistance.

(4) In the case of a blind recipient living with his wife who is also blind, where the total income inclusive of allowance of the recipient and his spouse is not more than $2,460 a year, there is a proposed increase of $360 a year.

Honourable senators, I for one heartily endorse this legislation as being the best available to date. The two amendments contained in Bill C-56, which includes the four subsections to which I have referred, will be most helpful in at least partly overcoming many cases of hardship which exist today.

If this bill receives second reading, I intend to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. W. Ross Macdonald: Honourable senators, the sponsor of this bill (Hon. Mrs. Irvine) has explained it as fully as did the honourable leader (Hon. Mr. Aseltine), who explained the Old Age Assistance Bill. I do not rise to oppose this bill, but rather to support it. If there is anything we can do to make the way easier in this world of one who is afflicted with blindness, I am sure we are all anxious to do so. I am sure that all honourable senators share the feeling of the sponsors with respect to both these bills.

However, I regret that under the bill now before us it is possible that some unfortunate blind people who happen to live in one province might receive $55 a month whereas, in some other province where an agreement has been entered into, they will receive $65 a month. I think that is possible under this bill. Under the Old Age Assistance Bill the honourable sponsor informed the house that it would be possible for one province to enter into an agreement with the federal Government and the needy of that province would get the advantage of $65 a month, whereas in another province, which did not enter into an agreement, the old provision of $55 a month would stand. I take it that result could follow in connection with pensions for the blind. I think that is most unfortunate. I feel that the Government should have tried to bring in legislation which would give to all blind persons from the Atlantic to the Pacific the sum of $65 a month; that is the least they could have done. I think the Government could have devised some plan, as it did in connection with the Old Age Security Act, whereby everybody throughout Canada would receive the same amount, but it did not do so in this instance. I hope that even at this late date—and it may be the last minute of this session, for all I know—the Government can devise a plan whereby all these unfortunate blind persons across Canada will receive the same amount, namely $65 a month.

Hon. Mr. Hugessen: Honourable senators, I gather from the explanation of the honourable lady (Hon. Mrs. Irvine), and from reading the bill, that what is proposed is this: At the present time, the federal Government contributes 75 per cent of a monthly pension of $55 a month, and under this amendment it proposes to contribute 75 per cent of an increased pension of $65 a month. How much is it anticipated this will cost the Government?

Hon. Mrs. Irvine: It is anticipated that in a twelve-month period it will be an increase of $1.1 million.

Hon. Mr. Hugessen: Thank you.

Hon. Mr. Macdonald (Brantford): May I ask one more question? Would that be if all the provinces entered into the agreement?

Hon. Mrs. Irvine: I think so.

Hon. Mr. Macdonald (Brantford): If the Government could throw in a quarter of a million, it could apply to all the provinces.

Hon. William M. Wall: Honourable senators, I realize that this bill is going to be referred to the Banking and Commerce committee, but it did not strike me until today when I read Bill C-62, dealing with disabled persons, and Bill C-56, dealing with persons disabled by blindness, that there are interesting anomalies, if you wish, which I hope can be explained. For example, in Bill C-62, by section 2, paragraph (g)(ii), a disabled person married and living with his spouse, is allowed a total income of $1,980 a year. In Bill C-56, an unmarried person with a dependent child or children is allowed a total income of only $1,860. And this person, remember, is blind. Furthermore, I do not see anything in the bill that tells me what happens to a married person who may have a child or children. Both parts of the bill deal with unmarried persons with or without dependent children.

Hon. Arthur W. Roebuck: Honourable senators, I wish to join with others in complimenting the senator who presented this bill (Hon. Mrs. Irvine), as I also complimented her on her remarks on the address in reply to the Speech from the Throne. I compliment her now, as I did then, on the clarity of her statements and the force with which she expressed them, and I should like her to understand that I am all for this bill, so far as assistance to these disabled persons is concerned. Certainly we have not done as much as we could for them in the past.

I am rather concerned about this matter. Is this a handout to the blind persons in those provinces which feel they have sufficient funds to match the Dominion, dollar for dollar, and not to the blind persons in those provinces which think they have not the money? Is this an assistance to the needy in the provinces which are rich, and the withholding of assistance to the needy in the provinces that are poor? Is it based upon the need of the individuals who will receive these benefits, or is it merely the intention to help out those provinces that are well-to-do? That is the effect of the bill, or it may be so.

I would like to ask another question, which I think the sponsor can probably answer quite as well as the sponsor of the previous bill attempted to do. I would like to know whether the blind are more blind, and whether the people who come within the benefits of this bill, are in greater need on the eve of a general election than at any other time in the life of this Parliament.

Hon. Mr. Choquette: By the way, how do the blind vote?

An Hon. Senator: All for you.

Hon. Mr. Roebuck: If they have any sight at all, they will not vote for the people you support.

Hon. Mr. Choquette: We will see about that afterwards.

Hon. Mr. Roebuck: I appreciate this bill is a fishing expedition on the part of your party for votes; but I doubt very much, since you want my view on it, that you will purchase many by this measure. I would like it to be thoroughly understood that this bill is for that purpose.

Hon. Mr. Choquette: Are you scraping the bottom of the barrel?

Hon. Mr. Roebuck: Am I scraping the bottom of the barrel?

Hon. Mr. Choquette: Yes.

Hon. Mr. Roebuck: No, but I think that the barrel on your side—the barrel of the Minister of Finance—has been pretty well scraped, not at the bottom, but right straight through the bottom.

The question that was asked, as to where the money is to come from, is a pertinent question when by this bill you are increasing expenditures by more than $1 million. I am not opposed to the granting of this money; but when the finances of our Dominion are in the horrible condition I find them, I think it is still a pertinent question to ask where the money is coming from, and what taxes you propose to increase in order to balance the budget—or are you going to continue borrowing money as you have done in the past? Are you going to issue bonds and buy them yourselves through your agent, the Bank of Canada? Or will you increase the amount of money in circulation? What is the scheme proposed in order to keep the finances of this country on a decent and sound basis, while increases of this kind are being made continually? It is a proper question, a most pertinent question to be asked by senators who are responsible for the welfare of this Dominion. Not that we shall vote against the bill; we shall not. I shall vote for it, of course, but at the same time I have a

right to exercise my duty as a member of this house to know what the finances are that back this bill, and where they are going to be secured. I appreciate the necessity on the part of this Government to get the blind vote. That is obvious. The people really in need, in the view of the Government, are not the blind people. It is the Government that is horribly in need of votes.

Hon. Mr. Aseltine: If I made that speech I would except that I would have to vote against the bill.

Hon. Mr. Roebuck: No, you would not, and I do not propose to vote against this bill. That is my privilege, to say how I will vote. It is also my privilege to discuss the bill that is before us in all its implications. I still would like the honourable senator to answer my question: Are the blind any more blind on the eve of an election than they are during previous sessions of this Parliament? Is their need greater, and, if not, why this bill at this time, rather than in previous sessions? We are told that we are about to dissolve Parliament and go to the people. Why should this bill be brought down at this time rather than any time during the past four years?

Hon. Malcolm Hollett: Honourable senators, I rise to deplore the fact that honourable senators sitting opposite me seem not to begrudge, but to be worried for fear the present administration in Canada might secure a few votes by reason of this legislation. Now I wish to assure honourable senators that we on this side do not believe that this legislation was framed for the purpose of getting votes.

The Hon. the Speaker: Order.

Hon. Mr. Hollett: This legislation now before us was not framed prior to 1958; they did not at that time plan this increase for blind persons. Are you begrudging the blind a slight increase in their pension?

Hon. Mr. Roebuck: I said, no, I was not.

Hon. Mr. Hollett: Why should a person who is going to vote for this bill be worrying as to where the money is coming from? If he thinks there is a danger of financially breaking this Dominion of ours, by giving blind persons a slight increase, or giving disabled persons a slight increase, or if he thinks by so doing the country is going to go bankrupt, he should vote against the bill. I strongly advise some of the honourable senators on the opposite side who express these sentiments that they had better not vote at all, which would be much better than voting against it.

I do deplore the attitude of some honourable senators opposite. I do not understand their attitude at all. Surely they are not attacking the Government because it is increasing allowances to blind persons, disabled persons and others. The only question being asked is, "Where is the money coming from?" Well, it is coming out of honourable senators' pockets, no question about that, and it is coming out of the people's pockets. It is right and proper that the money should come out of our pockets to assist those who are blind, who are lame, who are aged. I do not think it is at all wise to be expressing the opinions that have been expressed by some honourable senators on the other side of this house. There are things that every Government does that perhaps we in this Senate should all vote against, but not this type of legislation where we are helping the poor and the needy, the sick and the disabled.

I do hope that honourable senators from now on, particularly when dealing with legislation like this, do not worry about where the money is coming from. It will come. We do not have to worry about that. We do not have to worry about this great big Canada of ours going bankrupt, particularly not on these accounts. So, honourable senators, let us be prepared to put our hands down in our pockets if necessary and take out a few cents to add to the revenue of the Minister of Finance in order to pay the increased pension to the blind, the disabled, the sick and the aged. I do not think we should bother so much about where the money is coming from. Oh, yes, I suppose there are occasions when we should ask where is the money coming from, but not on this particular legislation.

I am really surprised at what has been said by some honourable senators tonight, and I just wanted to say a few words to ease the pressure raised inside me by some of my seniors, shall I say, in this debate.

Hon. Mr. Roebuck: The honourable senator wants to know whether I think this bill will bankrupt the Dominion of Canada. I certainly do not. But that does not limit my right to ask a question with regard to where the money is coming from. I do not think this bill will have any appreciable effect upon the seven billion dollars a year that my friend is not worrying about and which his Government is expending with a lavish hand. I am not concerned about the financial implications of this bill; it is a drop in the bucket as compared with the rest of the money that is being spent. But I still urge my right as a senator to ask where the money is coming from and particularly to ask why this bill is brought in at this time on the eve of an election, rather than previously.

Hon. J. W. de B. Farris: Honourable senators, there are just one or two observations I might make. I might say how relieved I am to have such an assurance from our new senator (Hon. Mr. Hollett) as to how everything is going to be all right, even though we had a $500 million surplus in 1957 and have a deficit of almost a billion dollars at the present time. However, that is not the point I want to make.

This is the point I want to make: As I follow this bill, the increased payments to each province by the federal Government depend on the province itself contributing its share of the increase, and if the province does not contribute its share of the increase the Government refuses the increase. I would like to ask any honourable senator here if the need of a blind man is any greater or any less because the province will not do its share. Whether the province concerned pays its share or not, surely the share that is needed from the federal Government is just as great whether the blind man is in Ontario or New Brunswick or some other province.

Hon. Mr. Hollett: Honourable senators, I would like to answer the point made by the honourable senator from Vancouver South (Hon. Mr. Farris). The honourable senator spoke of the deficits of today compared to the so-called surpluses prior to 1957. I wonder if in his calculations the honourable senator has taken the time to compare the amounts which today are being paid out to the ten provinces with those which were paid out prior to 1958. May I assure the honourable senator that if he takes the trouble to look up the figures he will find that more money is being paid over by way of grants, conditional and otherwise, to the ten provinces than the amount of the deficit at the present time.

Hon. Mr. Farris: What good is that going to do a blind man if he doesn't get the increase?

Hon. Mr. Hollett: It will be an incentive for the provinces to pay their proportion. The present Government has paid out more money to the ten provinces by way of grants than the amount of the deficit which the Government is accused of handing to us today. I think all that has to be taken into consideration.

Hon. Mr. McKeen: May I ask the honourable senator, does he know how much the federal Government collected on tax rental agreements from those provinces in that period.

The Hon. the Speaker: To whom is the question directed?

Hon. Mr. McKeen: To the senator who has just spoken.

Hon. Mr. Hollett: What is the question again?

Hon. Mr. McKeen: How much has the federal Government collected from those provincial Governments under tax rental agreements in the same period in which you say it paid so much to the provinces?

Hon. Mr. Aseltine: More than the Liberals paid.

Hon. Mr. McKeen: It collected more.

Hon. Jean-François Pouliot: Honourable senators, if I may be permitted I will come to the assistance of the honourable senator for Burin (Hon. Mr. Hollett). I know that he is in earnest and that he is a new senator. He has told us what to do, and in a very interesting manner, but he has touched on very dangerous ground. If during the coming election—when it will take place no one knows—he says to the blind, the Canadian Government, which I support, has passed legislation to give so much money to the blind—that is, if the legislation passes, as we expect it will—up to that point there will be no contradiction because his statement will be correct. But, honourable senators, there is something else. This piece of legislation is conditional: it depends on the agreement of the individual province to pay its share. Does the honourable gentleman agree to that?

This is very interesting. Let us suppose that the honourable senator opposite addresses a meeting anywhere in Newfoundland, or in any province which has not agreed to pay its share, and he says that the federal Government, the Parliament of Canada, has passed legislation to give so much more to the blind. The blind will say, "Where is the money? We have got nothing, because the province has not agreed to pay its share." That would be very embarrassing for the honourable senator.

Perhaps the governments of the provinces have in mind the same question that was put by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Vancouver South (Hon. Mr. Farris) as to where the money will come from. No one has ever questioned the legitimacy of that question. It is pertinent, and for that reason the provinces may ask the same question as my honourable colleagues have asked. Then they will say, "We will see what the revenues of the province are, and whether we are able to pay our share."

Here I am coming to the rescue of the honourable gentleman. I do not want him to be criticized by the audiences whom he will address; I do not want him to give the impression that his speeches are full of untruths. I want him to be respected by those

to whom he will speak; and I want him to be very careful in his statements, because if he says to the blind or to the relatives of the blind, you will have so much more, and they do not get it, then the position will be very bad for him. I say that in all earnestness and in all kindness, for he may receive snowballs in the winter or stones in the summer, and I do not want him to suffer. I do not want him to be the victim of either stones or snowballs.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Irvine, bill referred to the Standing Committee on Banking and Commerce.

DISABLED PERSONS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-62, to amend the Disabled Persons Act.

Bill read first time.

SECOND READING

Hon. John M. Macdonald, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, as in the case of the two previous bills discussed, under the Disabled Persons Act the Government of Canada can enter into an agreement with a province whereby it will contribute up to 50 per cent, or half, of the amount paid by the province to disabled persons. Under the present act the maximum amount which can be paid to a recipient under this arrangement is $55 per month. This amendment would raise that sum to $65 a month; that is, the Government of Canada would pay up to one-half of $65 per month.

As in the case of the two previous bills discussed, payment under this bill also depends upon a means test. The permissible income under the present act, which includes the payment of this pension, is $960 a year for a single person, $1,620 for a married person, and $1,980 for a married person whose spouse is blind. The amendment would increase this ceiling, so that a single person could have a permissible income of $1,140 a year, a married person an income of $1,980 and a married person whose spouse is blind, $2,340.

This act is somewhat different from the others in that before receiving a disabled persons pension the prospective recipient must actually pass two tests. Firstly, there is the means test whereby his income is determined. This is difficult enough, because under this test if a person has managed to accumulate something through saving, or if he has a home, or has managed to make a little income, all of these factors are taken into consideration before it is decided whether or not he is eligible for this pension. Secondly, there is a medical test, and the question then is whether or not he is within the definition of being totally and permanently disabled. I must say that to a layman it is often very difficult to understand some of the decisions which are rendered by the various medical boards.

Honourable senators, I do not think there is anything I can usefully add, although perhaps I should say that the estimated cost to the federal treasury in the first 12 months is $3,300,000.

Hon. Mr. Macdonald (Brantford): How much?

Hon. Mr. Macdonald (Cape Breton): The federal share is $3,300,000.

I might also anticipate another question by saying that this is also one of those cases where an agreement must be arrived at with the individual province. If a province does not agree to co-operate, the increase does not come into effect. However, I think this was always the case under this act. There is certainly nothing in the original act which says that all provinces must agree before the federal Government will pay its contribution. Consequently, even under the original act, which was passed in 1954, it was quite possible for one province to be paying and for another not to be. As I understand it, all the provinces paid. The same provision applies under the act: it was possible under the original act and it would still be possible under the amendment.

Since this further test is a medical one, it may well be that some honourable senators might wish to obtain more particular and detailed information. It is for that reason I shall move that this bill also be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Pratt: Does the honourable senator know if there has been any discussion or understanding with any of the provinces with regard to this bill?

Hon. Mr. Macdonald (Cape Breton): I only know that they were informed. Whether or not there was any discussion with them, I cannot say.

Hon. W. Ross Macdonald: Honourable senators, as with the other bills, I do not rise to oppose this one but to support it. However, I regret, as I regretted with respect to the other bills, that it does not apply to all the provinces of Canada.

Hon. Mr. Aseltine: Are not all of the provinces in on it on the present basis?

Hon. Mr. Macdonald (Brantford): On the present basis—

Hon. Mr. Aseltine: What is there to show that they will not come in under this amendment?

Hon. Mr. Macdonald (Brantford): I do not say they will not come in, but it is to be regretted that they are not being brought in.

Hon. Mr. Pearson: You are trying to drag them in.

Hon. Mr. Buchanan: They were not in before.

Hon. Mr. Macdonald (Brantford): They are going to be dragged in. I am not so sure, strong as this Government is, that it can drag them in. Imagine my friend suggesting that the Government is going to drag them in.

Hon. Mr. Pearson: I did not suggest that. You are suggesting the provinces should be forced in or dragged in.

Hon. Mr. Macdonald (Brantford): I made no such suggestion. It was my friend who made the suggestion that the Government was going to drag them in. It makes no difference.

Hon. Mr. Pearson: I deny that statement. I did not make that statement.

Hon. Mr. Macdonald (Brantford): You made a statement about dragging something in. I do not know what it was.

The Hon. the Speaker: The honourable senator has denied making that statement. He should be believed. Please let us not be "dragged" into a long discussion over this.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, I am not disbelieving the honourable senator, but I cannot disbelieve my ears, and I do not think he will deny that he used the word "drag".

Hon. Mr. Aseltine: He said you would drag them in.

Hon. Mr. Macdonald (Brantford): Now, the honourable leader is speaking for the Government.

As the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) have stated, it might be possible for disabled persons in some of the wealthy provinces to receive a greater allowance than those in the poorer provinces. I am sure, honourable senators, no matter on which side of the house you sit, you do not think that would be a very desirable condition in Canada. It would be most undesirable.

The honourable senator who introduced this bill (Hon. Mr. Macdonald, Cape Breton) referred to the necessity of obtaining a medical certificate, but I do not know what standards have been established to determine whether or not a person is totally and permanently disabled. I know there have been a large number of lawsuits in connection with insurance polices which have turned on the question of whether a person was totally and permanently disabled. I would like to know if there is a regulation under which a determination can be made, and which specifies the condition to which a person must sink in order to be totally and permanently disabled.

I think, honourable senators, that in many instances there has been too strict an interpretation given to those words, and that people who are just on the borderline have not been getting the benefit of the doubt. Surely, that is the wrong attitude to take. My honourable friend from Burin (Hon. Mr. Hollett) talked about how generous we should be to the blind, and we all agree with him, but why should there not be similar generosity extended to those who are disabled? If there is any question as to whether or not they are permanently and totally disabled then why not give them the benefit of that doubt. That, along with the additional $10 would be of great help.

I was very glad to hear my honourable friend from Burin (Hon. Mr. Hollett) say that the money was going to be raised by taxation. If the Government is going to do that then it is turning over a new leaf. Last year it did not raise all the money it needed by taxation. It raised much of it by borrowing on short-term bonds, and when it could not get enough in that way it turned over the printing presses, and as my friend knows a billion dollars was raised in that way.

Hon. Mr. Hollett: It will have to be paid back some day.

Hon. Mr. Macdonald (Brantford): I am talking about how the Government is going to raise this money, not how future generations are going to pay it back. We want to know how the Government is going to raise this money today. My friend has no assurance, and I am sure the honourable Leader of the Government (Hon. Mr. Aseltine) will not give us any assurance, as to how this money is to be raised.

I join with the honourable senators who have spoken tonight and say that although I am fully in support of this legislation we, at the same time, as business people, as sensible people, as people who are running the affairs of this country, should have some idea of how the money is to be raised. At

the moment we have no idea. All we know is that it will be raised by borrowing, turning over the printing presses, or by taxation.

Hon. Mr. Connolly (Ottawa West): Honourable senators, may I ask the honourable sponsor of the bill (Hon. Mr. Macdonald, Cape Breton) a question, and if he has not the information available now perhaps it might be made available for the committee? Can he find out how much the provincial contributions by provinces will be for this measure, and, indeed, for the other two measures, if the provinces implement the schemes?

Hon. Mr. Macdonald (Cape Breton): Does the honourable senator mean by provinces?

Hon. Mr. Connolly (Ottawa West): Yes, by provinces.

Hon. Mr. Macdonald (Cape Breton): I will endeavour to obtain an answer to that question.

Hon. Mr. Croll: Honourable senators, would the sponsor of the bill (Hon. Mr. Macdonald, Cape Breton), when he is obtaining that information with respect to these three bills for the committee which will sit tomorrow, also find out how many of the provinces have already agreed to each one of these pieces of legislation, and how many have not yet been heard from?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Cape Breton), bill referred to the Standing Committee on Banking and Commerce.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Statement prepared in the form of Schedule Q to the Bank Act, showing composite current operating earnings and expenses of the chartered banks of Canada for the financial years ended in 1961, pursuant to section 119(1) of the said act, chapter 48 of the statutes of 1953-54.

Report of the Minister of Agriculture for the fiscal year ended March 31, 1961, pursuant to section 6 of the Department of Agriculture Act, chapter 66, R.S.C. 1952. (French text).

Capital budget of Trans-Canada Air Lines for the year ending December 31, 1962, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C. 1952, together with Order in Council P.C.1962-152, dated February 6, 1962, approving same. (English text).

Report of Park Steamship Company Limited for the year ended December 31, 1961, certified by the Auditor General, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English text).

Estimates for the fiscal year ending March 31, 1963.

PRIVATE BILL

EVANGELICAL MENNONITE MISSION CONFERENCE—FIRST READING

Hon. Arthur L. Beaubien presented Bill S-5 to incorporate Evangelical Mennonite Mission Conference.

Bill read first time.

Hon. Mr. Beaubien (Provencher) moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-1, for the relief of Madeleine Francoise Hankowski.

Bill SD-2, for the relief of Bruce Reid Campbell.

Bill SD-3, for the relief of William Metcalfe Watt.

Bill SD-4, for the relief of Giovanni Pallotta.

Bill SD-5, for the relief of Mildred Dawson Meakins.

Bill SD-6, for the relief of Marion Ruth Catherine Slattery.

Bill SD-7, for the relief of Sonja Bagry.

Bill SD-8, for the relief of Lena Quelle.

Bill SD-9, for the relief of Franz Zeitlhofer.

Bill SD-10, for the relief of John Harman.

Bill SD-11, for the relief of Esther Wertheimer.

Bill SD-12, for the relief of Rachela Zimber.

Bill SD-13, for the relief of Alethea Sarah Ivy Fowler.

Bill SD-14, for the relief of Rosemary Beatrice Clare.

Bill SD-15, for the relief of Isadore Titleman.

Bill SD-16, for the relief of Agnes Irene Seaman.

Bill SD-17, for the relief of Margaret Ada Lewis.

Bill SD-18, for the relief of Beverley Trachtenberg, otherwise known as Beverley Tratt.

Bill SD-19, for the relief of Demetre Almyriotis.

Bill SD-20, for the relief of Cynthia Elsie Scott.

Bill SD-21, for the relief of June Blickstead.

Bill SD-22, for the relief of Stella Leblanc.

Bill SD-23, for the relief of Gerda-Sascha Rozwadowski.

Bill SD-24, for the relief of Josephine Isabella Geiger.

Bill SD-25, for the relief of Margarete Gerda Ruhnau.

Bill SD-26, for the relief of Margaret Catherine Smith.

Bill SD-27, for the relief of Marie Gertrude Helene Flamme.

Bill SD-28, for the relief of Kate Gillman.

Bill SD-29, for the relief of Barbara Ann Wallace.

Bill SD-30, for the relief of Lise Hogue.

Bill SD-31, for the relief of Marie Claire Rolande Dubois.

Bill SD-32, for the relief of Sheila Liebling.

Bill SD-33, for the relief of Elizabeth Shaw Fisher Reid.

Bill SD-34, for the relief of Marie Jeanne Beaulieu.

Bill SD-35, for the relief of Maurice LeBel.

Bill SD-36, for the relief of Gilles Graveline.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 8, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. Calvert C. Pratt: Honourable senators, I wish at the opening of my remarks to congratulate the mover (Hon. Mr. Méthot) and seconder (Hon. Mr. Hollett) of the address in reply to the Speech from the Throne for their very informative review of the subjects mentioned in the speech.

I also wish to take this opportunity to extend a warm welcome to my honourable friend from Burin (Hon. Mr. Hollett). His very wide experience in Newfoundland affairs, gathered through the years in his professional work, as well as in the provincial Legislature, will make him most helpful to all of us here. His experience as Leader of the Opposition in the Newfoundland Legislature leaves no doubt in our minds as to his usefulness in this chamber for, being on this side of the house, we of course know the true value of opposition. Those of us from Newfoundland who sit on this side of the house are well aware that we now have two Rhodes Scholars from Newfoundland sitting on the other side of the chamber, so we have to be more on our guard than in previous times. I need hardly comment, of course, that I refer to the scholastic ability of their speeches. Across-the-floor arguments on present day public issues are, of course, another matter.

The Speech from the Throne contained statements about Canada's foreign trade, but nothing of a positive policy-making nature that our changing times require. A definite and progressive foreign trade policy is of paramount importance at this particular time, when we are in the midst of world-wide changes in trade relationships. I was glad to hear the forthright manner in which some of the speakers who have preceded me gave their views on this subject. Canada must adopt, without delay, more clearly defined national objectives for trade advancement than prevail at present. There must be a definite willingness on the part of government, industry and labour to achieve these national objectives.

The recent movement towards the grouping of countries for the mutual benefit of broader trading is not idealistic; it is already proving to be most practical. We certainly must join up with that movement whenever practical. We have had our reciprocal trading and tariff-adjusting agreements for years, but something broader and more comprehensive than that is shaping up in economic unions of countries.

The great resurgence of European industrial life comes from national policy of freer trade, of which the people over there are not afraid. Unfortunately, we in Canada are too afraid of coming out from under the shelter of tariff walls and protective ceilings. Recent announcements in the United States by both government and leading industries are far more definite in setting forth policy on international trade expansion than we find here.

Industry, labour and Government in this country have not stepped up to the progressive national objectives that are now in evidence in European countries, and which are spreading to other areas of the world. My experience in attending several international trading conferences in Europe, as well as in Africa, has brought that before me most forcefully. I have been glad to have had the privilege of relating some of those experiences in this chamber on other occasions.

We all realize, of course, that tied in with a policy affecting our world trade is the fundamental issue of employment for our people. It must never be overlooked that the only way to relieve unemployment problems in a permanent and lasting manner is by the creation of more production through industry for the effective distribution of goods throughout the world as well as in Canada. A national policy in that direction has to be creative in a fearless manner, and it certainly must be continuous or it fails.

It is appropriate on this occasion to refer to matters of importance to one's own province. What I have to say in this debate will be chiefly related to the province of Newfoundland. I wish to thank the honourable senator from Queens-Shelburne (Hon. Mr. Smith) for the helpful reference he made to the problems of my province.

The Royal Commission on Transportation, known as the MacPherson Commission, has brought out some well-considered and useful recommendations regarding the transportation problems in Newfoundland, particularly the need for adequate road facilities. No reasonable appraisal of Newfoundland's needs, nor indeed of its just claims, can be made without considering the facts which create a special case for that new province. I emphasize that term "special case" because the circumstances of the economy of my province are entirely different in many respects from those of any other province. The chief factor from the point of view of economics lies in the fact that we are almost entirely an exporting province.

As the honourable senator from Burin (Hon. Mr. Hollett) pointed out in his speech, before union with Canada practically all of our imports came from the United States, England and other countries overseas, and all articles produced in Newfoundland, except those which were sold for local consumption, were exported overseas. That situation has changed in one respect only. We now sell practically nothing to the other provinces, but nearly all our purchases, at least 90 per cent of the total, come from the various other provinces.

I am sorry that the honourable senator from Burin, in his otherwise fine speech, made reference to Newfoundland as being a liability province. I know he modified his remark by saying that other provinces were also liabilities. When do provinces, whose creative assets are tied into the economy of the nation, become a liability or an asset? I cannot figure it out. If a precise formula were worked out and applied, this country would shape up to be a land of ten nations and not a nation of ten provinces. I can say that Newfoundlanders, being relatively new citizens of Canada, are very sensitive to this "liability" talk. Nothing caused more wrath among our people than when a federal minister, in the early period of Union, came to Newfoundland, and in a public speech stressed how great was our financial indebtedness to the federal Government. His phrases are still quoted as intolerable.

With the varied circumstances and the interlocking relations in every field of material and social life, there is no logical and conclusive analysis that can be made of the relative asset and liability position of any of the provinces. In relation to that theme, however, I intend to make reference to certain aspects of my province's position in Canada.

Newfoundland, with its area of 150,000 square miles, has tremendous and varied mineral resources which are being developed, with certainly greater development to follow. A tremendous pulp and paper industry is already established. Also there are great areas of unused and high-class pulpwood, particularly in Labrador. An important extension of the newsprint industry is in prospect for the very near future. One of the most prolific fishing waters in the world is right by our coast.

There are many other existing and potential industries, which I need not enumerate. The sum total can be counted as a most important factor in the over-all development of this nation. The greatest undeveloped hydro power potential in the whole of Canada is in Labrador, adjacent to the most outstanding iron ore area of this country.

We find that the significance of our recent developments and the definite prospects of further industrial growth of national importance are not widely recognized throughout Canada.

I might emphasize particularly, for your information, some facts about the great iron ore development which is going on in Labrador.

Some years ago—in fact, before the time of Union with Canada—Canadian interests obtained mineral exploration and development rights in Labrador. After a great financial outlay to determine the iron ore mining

prospects, development operations started. Capital was raised, the greater part of it in the United States. With the leadership given at the start by Mr. Jules Timmins and his associates, and continuing through the years, the Iron Ore Company, with affiliated companies, came into being. Those interests set up the only long-distance railway—360 miles —that has been built in Canada in this century, which was not financed by public funds. The railway operation is unique in some aspects of its modernization. Single trains of 100 cars carry the amazing volume of 10,000 tons of ore.

Improvements in means of pelletizing iron ore and many other scientific developments give emphasis to the leadership in Canada of this operation.

As a result of this development, the steamer shipping port, Seven Islands, in the province of Quebec, formerly a village of about 1,500, has already grown to a population of about 20,000. A total of $500 million has been invested by that one previously mentioned business organization and its affiliates, which has the active participation of five of the outstanding steel interests in the United States. Canadian financial interest has not been insignificant; it is about 25 per cent of the total, which is a lot of money.

There is another big mining development in the adjacent area being set up by the Wabush Lake Mining Company, which will add $300 million or more to the Labrador mining program. The mines already in operation are scheduled to produce this year about six million tons of iron ore, which is equal to 50 per cent of the total produced in Canada. With the program for further expansion laid out, it is anticipated that production in the Labrador area will, in the near future, be running up to around 10 million tons annually. Most of this iron ore is exported and brings money into Canada. It is only fair to say that this expansion of the mining industry has been helped to a great extent by the dynamic promotional effort given by the Premier of Newfoundland. By the way, during the month of May of this year the "Smallwood" mine is expected to get into production, and in conjunction with that new mine the first completely automatic railway in the world will be in operation.

I am giving these facts because I am sure honourable senators will be interested in them. At the same time, I want to use the information to illustrate the extent of the assets brought into Canada by Newfoundland, and which are not placed in the public income and expenditure accounts of the federal treasury.

Now, where are the statements of the accounts as to deficits or excesses in federal-provincial financing? I get back again to that point of liability. The true position is certainly not set out in the official records. From the point of view of debit and credit in Government accounts, I will admit that the Newfoundland position looks terribly unbalanced, with so much more coming in than going out. That, however, is not the story. Figures can often be misleading when just taken from the accounts books of the Government. Do not misunderstand me. They are not placed there to mislead; they are factual, but factual only in one direction. That direction is correct accounting for the Government, but the correct interpretation is another matter. For instance, Newfoundland's biggest financial contribution is not found in the Public Accounts and is not expected to be found there. I shall refer to that contribution as indirect payments, and under two major headings. The first is the portion of the sales and excise taxes on the trade of Newfoundland which was paid to the federal Government at the manufacturers' level, but paid outside of our province. In the year 1960-61, the total federal collections throughout Canada under that heading amounted to $1,356 million.

Incidentally, about 80 per cent of the nationally collected sales and excise taxes are paid by industry in the provinces of Quebec and Ontario. Industry within those provinces and elsewhere naturally collect those payments from buyers of all provinces in relation to sales made, plus the gross profit margin charged on that cost outlay.

The province of Newfoundland makes no shipments of manufactured goods of any consequence to other provinces. By reason of the fact that 90 per cent of its total requirements are bought within Canada, by a very moderate calculation I submit that Newfoundland's portion of those taxes paid in the past year can be placed at $24,500,000. I should explain that in stating that amount I have taken into consideration that the population of our province is 2.6 per cent of that of all Canada, and I have deducted 30 per cent as being a possible lower level of purchasing power than that of the average of all other provinces.

Under the heading of indirect payment to federal revenue, the second item I would mention in this connection is the increased prices in Canada by reason of the protection of industry by customs tariffs.

The Gordon Commission report of 1957 makes reference to this matter and says it is most difficult to estimate the true cost of the Canadian tariff in economic terms. It also states that members of the commission's

staff made a calculation which showed that the differences in price of goods attributable to the tariff would perhaps amount to 3½ per cent of the gross national expenditure. On the basis of the gross national expenditure officially recorded for 1960 at $36 billion, the estimate would be $1,250 million added to the consumers' cost of goods in Canada. It must be recognized, of course, that the imposition of the tariff has varied implications in different areas of the country. Where, however, the customs tariff has given very little benefit to industry, such as in Newfoundland, then the contribution made by paying the higher prices for goods made in Canada has no direct compensating factor in the province. There are of course indirect factors. To take one factor would require about five hours of reading from reports like the Gordon Report. Anyway, there is no direct compensating factor recorded in figures published in Government or treasury financial reports. Again, by deducting the 30 per cent referred to on a per capita basis, the result is that Newfoundland people pay $22,750,000 under that heading alone. This is a basis of calculation set forth in the Gordon Report.

If we put together those two contributions, that is under the headings of sales and excise taxes, and customs tariff, the result is that the estimated contribution of our province to the national finance and the economy of Canada runs to about $47 million. We are the only province that can put it so completely that way, because, as I have said, we have very little reciprocal trade. The money from exports is our greatest source of means for the payment of our domestic purchases.

Of that $47 million to which I refer, all we get credit for in the federal official returns is $10,300,000 collected as federal revenue within the province by way of sales and excise taxes and import duties. A considerable portion of that is on tobacco and liquor. Of course, our average payments under those two headings would not be any greater than the average for Canada. I hope I make that quite clear. I should point out here that in the 1960-61 statements of federal income tax collections within the province, there are recorded payments amounting to $30,900,000 under the headings of income and old age security taxes, corporation and estate taxes. The estimated contributions to the federal revenue directly and indirectly were about $78 million in the past year. As you will see, the amount is running up and, as I have stated, is already about $37 million more than we get credit for in Government accounts.

Other financial and economic factors also enter into Newfoundland's case for special consideration. There is the amount of corporation tax and income tax to the federal treasury by reason of the profit and employment given in the production of $250 million to $300 million worth of one-way trade. I know of no way to calculate the amount, but one can only guess the many thousands employed and millions of dollars from that source contributed to the treasury. It makes me actually boil over when I hear of Newfoundland being talked of as a liability, an extraordinary liability, to the federal Government of Canada, or being regarded as different from other provinces in the ordinary normal process of revenue and expenditure in Canada.

Apart from what I have mentioned, there are many other reasons for Newfoundland's needs receiving special consideration. An outstanding one which I shall mention now is the need for more economic transportation facilities and more complete road service.

The second report of the MacPherson Royal Commission on Transportation, which has just been circulated, outlines a strong case for a progressive transportation policy in Canada. The facility of roads is of most outstanding importance today by reason of the terrific change-over to motor traffic in very recent years. The report points out that the changing and improved transportation facilities throughout the years called for imagination and courage which led to national development. Those facilities were set up to meet the adverse development conditions caused by rugged terrain, sparse population, scattered resource location, dependence on export markets and so forth.

While the report is, of course, written to summarize and make recommendations on a national scale, it makes particular reference to the needs of Newfoundland, by reason of it being a new province and not having the benefit of previous years' development as had the other provinces.

In referring to Newfoundland's transportation needs, the report states:

> The oldest settled part of Canada has special problems not faced by any other province.

It goes on to say:

> The lack of adequate inland transportation has seriously retarded resource development. Because of its geographical position and the stage of economic development, Newfoundland has peculiar transportation needs unlike other settled parts of Canada.

The portion of the population which has to use the fisheries, forests and mines as their chief source of income is scattered around the six thousand miles of coastline. The report

points out that only a good system of roads can provide for that imminent human need of educational and social communications, as well as for industrial participation. Local roads are required to connect the fishing settlements with the areas where the increasing number of processing plants are in operation. Without road communications fishermen in hundreds of places are deprived of the opportunity of selling their fish in perfectly fresh condition to these modern plants, which are so essential for a sound and progressive development of the industry.

Newfoundland has outstanding tourist attractions, but without the Trans-Canada Highway we have to pass up the financial benefits that should accrue to us from that source.

I quote from the MacPherson Report:

> Public works to stimulate the economy of a province or an area have been a continuing part of national policy in Canada.

The report cites as an illustration of that:

> What canals and locks did for the economy of the Central Provinces, what the trans-continental railways did for the Prairies, highways can do for Newfoundland.

The report further states:

> We are convinced that such a program is in the national interest.

As we know, until recent times roads were simply a provincial matter. I might say in that connection that the Government of Newfoundland has been devoting a bigger percentage of its income to the building of roads, principally local roads, than any other province in Canada. In fact, during the past twelve years about 1,500 miles of local roads have been constructed. Still more are required to meet the needs arising from the opening of mines and primary industries in various areas. The greatest need, as outlined in the MacPherson Report, is the completion of the Trans-Canada Highway.

While that project has nearly been finished throughout Canada, a recent report stated that of about 600 miles of Trans-Canada Highway planned for Newfoundland only one-half of it has been built and only about one-third is paved. It is estimated that on the fifty-fifty basis, to complete it Newfoundland would be required to put up about $45 million. Such an expenditure simply is not within the means of the province. As I said, the need for local road construction in Newfoundland has been of such a pressing nature that in recent years that province has surpassed all other provinces in the percentage of its income spent on roads. In the case of Newfoundland the fifty-fifty basis of federal and provincial expenditure was never practical, and with the most imaginative outlook it would take at least ten years for the province to complete and pay for its share. It must also be remembered that the province has the expense of linking up many hundreds of communities to the highway, as well as the many new industrial centres that are being established.

Honourable senators, I hope that the submission of the MacPherson Royal Commission will result in quick action being taken to complete at federal cost that most essential service to Newfoundland. I repeat that the report points out that public works to stimulate the economy of the province or area has been a Canadian national policy, and that should be extended to include a Trans-Canada Highway in Newfoundland.

On motion of Hon. Mr. Reid, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, February 13, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

ATTENDANCE IN SENATE

NEWSPAPER CLIPPING—PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I rise on a question of privilege. Many false things are said about the Senate, and I hold in my hand a clipping which deserves to be answered. It refers in the first place to the House of Lords, and reads as follows:

> With another eight peers ineligible because they are minors, there are 632 who have a right to take up seats in the upper chamber. But, in keeping with the practice over the years, the average daily attendance runs around a mere 125—about 20 per cent of the eligibles.

This is the sentence that needs to be answered:

> In this respect Canada's Senate and Britain's House of Lords have much in common.

That is utterly untrue. I have taken the trouble to check the attendance list on the front of the *Minutes of the Proceedings,* for every sitting day, and I find that the average attendance in the Senate this session, including yesterday, is sixty-nine, which is more than two-thirds of the total number of senators, a record that is many times better than the House of Lords, and much better than the other place.

ESTIMATES

INQUIRY

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, may I ask the Leader of the Government (Hon. Mr. Aseltine) if he has already tabled or if it is his intention to table the estimates which were tabled in the other house yesterday?

Hon. Mr. Aseltine: I tabled them last evening.

Hon. Mr. Macdonald (Brantford): Have they been distributed to all members of this house?

Hon. Mr. Aseltine: Every member received one in his post office box yesterday.

Hon. Mr. Macdonald (Brantford): Thank you.

CENSUS RETURNS

INQUIRY—PRELIMINARY REPORTS

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, I would like to know if we will soon have some preliminary reports, at least, of the last census. I will be satisfied if my question is answered tomorrow.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. Thomas Reid: Honourable senators, in rising to take part in this debate may I first say to each and every honourable senator how pleased I am to be back in my place once again and to be able to take part in the proceedings of the Senate. When one is ill it is gratifying to receive so many letters, flowers and good wishes; but much as one appreciates such kindnesses, it is better to be up and about, taking an active part in life.

My chief reason for speaking this afternoon is that certain honourable senators have asked me if I would be good enough to speak on the Columbia River. That is to be the subject of my address, in the course of which I intend to give information as to the river and the difficulties standing in the way of a treaty being signed between the federal authorities and the provincial Government.

The Columbia River, which starts in British Columbia, is 1,210 miles in length, of which 745 miles are in the United States and 465 miles in Canada. In Canada the river drains an average of 15 per cent of the province of British Columbia. The head waters of the river are located in the glacial region of the mountains. There is a continental cap of ice, most of which has remained permanent all through the years. Over one-third of the volume of the river rises in Canada.

The reason that United States interests are so keen to obtain the advantage of water from the Columbia is that they have some 10 or 11 dams that depend on it for water supply. Those dams operate fully only six months in the year, because for three months the river in British Columbia is frozen over, and the following three months it floods; and most of the water from the Columbia during that flood period flows over the dams and drowns out portions of land down in the United

States, hence, the great interest on the part of that country in the development of the Columbia River.

The elevation of the Columbia River is worth noting. It is 1,294 feet at the boundary. The drainage basin embraces six of the states, namely, Washington, Oregon, Idaho, western Montana and the corners of Wyoming and Utah.

To make a comparison, and to demonstrate the power potential of the Columbia River, I point out that the elevation of the St. Lawrence River is 603 feet with a power development of some seven million kilowatts. The elevation of the Columbia River is 2,652 feet at its source, and is capable of developing more than 34 million kilowatts.

The agreement between the province of British Columbia and the federal Government, which was signed almost a year ago, has been long in coming before the public, for engineering on the Columbia River has been going on since before 1943. In 1945 a bill was introduced in Parliament to, in a way, curtail the objectives of the provincial Government of that day, which was done for the Kaiser interests by the proposal of a dam on a site not far from the boundary. The Government of that day saw fit to have a bill passed which resulted in the Kaiser interests not getting their dam. I might say that quite a bit of politics was mixed up in that, but I am not going into it this afternoon because I do not intend to make what might be called a political speech.

United States interests have long visualized the power possibilities of the Columbia River, and because of the huge increase in population and the great expansion in industry they have done everything possible to bring this project to a head, their efforts culminating last year in the treaty which is now being held up because the provincial Government and the federal Government have not yet come to terms.

Estimates have been made of the cost of the dams and the amount of power which will be developed by both countries. However, I might say, in all frankness, that when one starts to examine that treaty he soon realizes that he has to be a competent engineer in order to thoroughly understand all of its clauses and ramifications. So all I will be able to do is try to interpret it, based on my knowledge and information from the treaty.

The United States has been most eager to obtain Canada's co-operation, with the result that the treaty contains a proposal to build three flood control dams, with the United State agreeing to pay $64 million of the cost over the years. Estimates of the total cost to Canada range from $344 million to $350 million, with an additional expenditure of $100 million for the construction of power lines to the border. It is proposed to dam the Columbia River in British Columbia to control the water so that at certain seasons its flow through United States dams will provide that country with electric power for a twelve-month period instead of a six-month period. Under the treaty Canada is to receive 1,118,000 kilowatts of the newly-developed power and, as I have said, $64 million towards the construction of the three flood control dams.

The controversy that has arisen concerns a new proposal by the Premier of British Columbia to develop the Peace River in northern British Columbia, a river which is estimated to be capable of producing anywhere from four million to eight million kilowatts per year. The Premier envisages a great industrial development in that northern part of British Columbia, which will attract many people.

Realizing the high cost of the dams under the treaty, and not having reached an agreement with Ottawa, the Premier has already made a start on the Peace River project. He particularly wants to sell this power to the United States and, while he is confident that that country will buy the power, there is no guarantee of it because two interests in the State of Washington have developed hydro power over the past 25 to 30 years, one under government support and the other under private enterprise. Some of the private interests are declaring they will not accept power over a Government line or system.

Hon. Mr. Macdonald (Brantford): Would the honourable gentleman explain just which power the Premier of British Columbia wants to sell?

Hon. Mr. Reid: The power which will be developed at the dams—

Hon. Mr. Farris: From which river, the Peace River?

Hon. Mr. Reid: No. He wants to sell in Canada power from the Peace River itself, but of the increased firm power developed in the United States from the waters of the Columbia River, British Columbia's portion will be 50 per cent—that is what he wants to sell.

Hon. Mr. Macdonald (Brantford): There is no suggestion at the present time for the sale of power developed on the Peace River to the United States?

Hon. Mr. Reid: No. It would be difficult to sell that power to the United States because the Peace River is in the far north of British Columbia and it would be too costly, I believe, to transmit the power down to the border and on through the United States.

I do not think any estimate has ever been made as to selling power from the Peace River to the United States. It has been stated that it will develop more power than any other river in British Columbia, including the Columbia.

At one time the United States offered to build one of the main dams on the Columbia free of cost and to hand it over to British Columbia, if that province would install generators at the dam, for power to be used by Canada. The United States authority said, "We will give you the dam". That proposal fell through and the dam never materialized. The people of British Columbia, generally speaking, are at a loss to know why there is so much objection in Ottawa to the selling of power which Canada does not seem to require at the moment. As a matter of fact, many of our citizens have been brainwashed in regard to electric power. They talk about the scarcity of electricity and the need for it.

May I point out that the B.C. Electric—now operated by the provincial Government of the day—has two plants, one in my district and one in Vancouver, which can make up to 1½ million kilowatt hours. These plants have been lying idle since they were installed. They would be fed by gas from Alberta. If there was really a shortage of power these plants would be in operation now, but they have never operated since they were constructed by the B.C. Electric Company.

The people of British Columbia feel a little put out about the attitude of the federal Government, and they reason it this way: We have no sale for the power in British Columbia at present, even if it is brought to the boundary line. Why were we not being treated in a manner similar to the other provinces, is the cry of the ordinary citizen. The federal Government thought nothing of deepening the St. Lawrence at a cost of, I believe, some $300 million to $500 million, from which British Columbia does not gain one cent. I think I can make that statement without fear of successful contradiction. Also, it hands $75 million to Saskatchewan for the building of a dam, which a commission set up by a former Government said should not be built. But when it comes to British Columbia, the Government says, "Well, we will loan you one-half of the cost of the dams, but we want part of the profits that you get from them later on." British Columbia just does not feel like accepting that kind of offer, especially in the light of what has been done for other provinces. They are not levelling carping criticism at the other provinces about it, but they want a satisfactory answer from the federal Government.

There are two other matters which somewhat irk the people of my province, and which I think should be mentioned. Honourable senators will remember that some two years ago we had a bill before the Senate, and at the committee stage we discussed that part of the bill which had to do with offshore rights. I do not think any member of the committee objected to the federal Government taking the offshore rights for all the land and islands in the northern part of Canada, but they wanted to put into the bill that the rights would also apply to British Columbia. That was thrown out by our committee.

Honourable senators, this is rather a serious matter and I strongly advise the Government to do something about it. My information is that a licence has been issued by British Columbia to a certain company to bore for oil off the Charlotte Islands, 8, or 10 or 12 miles offshore, and the federal Government has issued a licence to the same company for the same locality. I am warning the Government that if it is not careful this will lead to trouble. I suggest that if there is any doubt about it, the matter should be taken to the highest court of the land to decide who owns these rights, the province or the dominion.

When I first came to the Senate, I was told that one of the duties of a senator was to defend the rights of the provinces. Well, I am on the side of the province, and I think I am taking my rightful place in the Senate when I do so. These rights belonged to the province before Confederation, and when we joined Confederation we did not give away any of those rights. I would therefore suggest that the question be taken to the highest court of the land for a decision before serious friction arises between the provinces and the Dominion.

There is another matter that I believe British Columbia has a right to complain about. I was surprised when I picked up this bit of information the other day. It has to do with the premier of a province giving an order for the building of three new ferryboats. Many may not be aware of it, but the provincial Government of British Columbia has now gone into the ferryboat business and all told has, I believe, some 17 vessels. As a matter of fact, some of them are paying so well that it has had to build extra boats to carry passenger cars and trucks from the nearest point on the mainland to the nearest point near Victoria. There was a call for

tenders for the building of two new steamers. In that connection I have before me an article, which says:

> When Chairman Watson of the Canadian Maritime Commission threatened to withdraw the $450,000 federal subsidy from B.C.'s new ferry projects if Victoria doesn't buy Canadian engines, he was dealing in a glaring inconsistency.

If you did not hear the remainder of this article you might wonder what is wrong with that. Well, we in British Columbia think we know what is wrong with it. The article asks this question:

> Did Mr. Walker spend all of this $3.5 million in Canada?

That refers to the building of a boat named *Fort Langley* by the Burrard Dry Dock Company, a company which also bid on the three ferryboats requested by Mr. Watson. The article goes on to say:

> No, he didn't. He spent more thn half of it in Holland, buying the dredging equipment for the vessel.

Now, we maintain that it is most unfair of the federal Government to go out and buy engines in Holland, and then when the provincial Government gets a lower bid from a company outside Canada, and a British firm at that, to threaten to take away $450,000 from us. I think we should show some annoyance in this matter.

It is incidents of this kind, and many others, which is bringing about a great deal of friction between the people of the province of British Columbia and the federal Government. I am one of those who believe that a more reasonable and peaceful approach should be made by the federal Government to the province, with the following suggestions in mind. The federal Government has announced that it wants to control the Columbia project and the Premier of the province takes the view that as toll-bearers this should be at the provincial level, and that it should be their duty and right under the British North America Act to control this project.

Another suggestion that has been made is to appoint so many members of the provincial Government and the provincial board to the federal board. To this we were flatly told, "No. We, the Dominion, are going to control this whole project, after you agree to the Treaty." British Columbia, I believe, should be given some provincial control over the project.

Also, some consideration should be given to the proposal to allow British Columbia to sell some power. So I am now appealing to the dominion Government to allow this power to be sold for short periods. One of the things that is annoying our people out there, and which they cannot understand, is why the Government allows oil and gas to flow across the line, when these are resources that will die out some day; these resources, shall I say, form a diminishing heritage. However, when it comes to the export of electricity they say, "Nothing doing; we are not going to allow it."

I have a list here giving the names of companies that are exporting electric power from Canada to the United States. This is nothing new at the moment. A strong stand has been taken in the past with regard to power exportation. It is true that these exporters are licensed to export for only a short term, not over five years. Surely the same conditions should be granted to British Columbia as have been granted to, I think, twelve places in Canada for the exportation of electric power. But when it comes to our province they tell us, "Nothing doing; we are not going to allow you to export." Can you wonder at the people of my province being very annoyed at what is being done at Ottawa, and what is being done to that province as compared to the favourable treatment being given by this Government to other provinces?

I would say to the Minister of Justice, who has taken a very active part in this proposed development, "Calm down a little, and be reasonable". I know it is difficult to get along with men like Premier Bennett in Victoria, but after all he might approach the matter in a better frame of mind, rather than have a hidden mallet behind his back to knock his opponent on the head. That kind of co-operation will never solve the problem or get us anywhere. The big thing is to let this surplus power be sold for short terms to the United States.

Now I am going to propose to the Government that the treaty be given another serious look. There are certain things in the treaty which have been overlooked and which in my opinion are too valuable to overlook.

There is a scarcity of water in California. At the same time, due to the flooding which takes place every year in the State of Washington because of the increased flow of the Columbia River—which I mentioned in the early part of my remarks—they are only able to cultivate certain sections of land at extremely high cost, and yet no one has made any inquiry as to what is the cost or the value of the damming necessary to prevent flooding and make provision for irrigation and water for domestic purposes. My information is that if these projects go through in their present form the State of Washington will irrigate to the extent of 100,000 acres of land.

I am going to ask the honourable senators here what effect they think the irrigation of 100,000 acres of agricultural land will have on the sale of products that we sell to that country. No one has ever mentioned the value of the water. No; all eyes have been looking towards the hydro-electric power to be developed. But the water which the United States will get, and which they are looking forward to getting, to be piped to California and as well to irrigate 100,000 acres of land in the State of Washington, has never been evaluated by this Government. I say that is a great oversight on the part of the Government, and I for one would say that the treaty should not be passed until a new meeting is held.

Hon. Mr. Pearson: Would not the United States get that water in any case, even if we did not build the dams?

Hon. Mr. Reid: You must understand that at one period of the year there is flooding and at other periods there is a dearth of water. Well, the flooding cannot be handled by them as well as we could handle it by building the dams. A dam would regulate the flow of water as it is needed, but at the moment the water runs wild for some three months in the summertime and in winter the continental ice cap dries up the flow.

Hon. Mr. Pearson: They cannot dam the river themselves for irrigation purposes?

Hon. Mr. Reid: No, they cannot. They have done their best by the building of dikes to prevent flooding, but it is such a problem that they are hoping that Canada will accept the treaty and they will then have British Columbia control the water flow in flood time.

Hon. Mr. Hugessen: The control has to be at the headwaters, I believe?

Hon. Mr. Reid: Yes, the control will all be at the headwaters.

Now, it is interesting to speculate on what the benefit will be to the United States in actual cash, and these figures are only calculated roughly. We are going to be out the cost of the two dams, about $340 million to $350 million; and that is for the dams alone, to say nothing of the cost of transmission lines which is expected to run to $100 million. These transmission lines are to be built to carry the power from its source at the dams in the United States up to the international boundary line between the U.S. and Canada.

I have some figures, and I would like to give the full benefit of them. If the United States were not to receive this benefit, and endeavoured to create those benefits which will accrue to that country once this dam is built, it would cost them in interest alone more than $900 million. Under the treaty all they are going to put up is $150 million. Is it any wonder that we in British Columbia, who have looked into this matter, believe that the treaty should be re-examined in the light of these facts that are now coming out?

I may say that there are three dams to be built. One of these is called the High Arrow dam. Now, in spite of the fact that in times past I have uttered harsh words about General McNaughton, I have nevertheless always given him praise for his ability and intelligence as an engineer. He is one of the top engineers of Canada. As to the High Arrow dam, he says it should not be built. I do not know about the truth of the matter, but it is common gossip in British Columbia that the High Arrow dam is one which the provincial Government is very keen to build. As a matter of fact, it is going to be the first one of the three to be built.

Hon. Mr. Crerar: Where is that High Arrow dam located?

Hon. Mr. Reid: Just at the end of the Arrow Lakes, close to the boundary.

Hon. Mr. Horner: May I ask the honourable senator if that dam would not store the largest body of water of all?

Hon. Mr. Reid: No. According to General McNaughton and according to the treaty, it would hold back 70 per cent of the Columbia River flow.

In the matter of building the High Arrow dam a lot of the blame can be laid at the door of the provincial Government in wanting to go ahead with it. It means that one of British Columbia's five major valleys will be wiped out for ever. Civilization will be extinguished throughout the 150-mile long valley of the Arrow Lakes, says General McNaughton of the International Joint Commission. Six thousand inhabitants of 18 contented and self-contained communities will have their lives and homes disrupted because this project is going to flood them out. Future generations will be unable to move to and use this lovely valley because the mountain sides are so steep. Some 100,000 acres of good, habitable land, in an ideal climate, and priceless recreational and forest facilities will be lost forever, besides the serious losses of fish and wild life.

Honourable senators will understand the anxiety of these people, and those of us who have been in that part of the province realize that we have not unlimited land available, as have the Prairie and other provinces; most of our agricultural land lies between the mountains. The extent of good land which will be wiped out by the High Arrow dam is greater than the entire fruit-growing district of the Okanagan.

Nothing has been said or done regarding compensation, or who should pay for the

loss. If the United States wants the High Arrow dam built first, surely they should be willing to pay something? It has been estimated that it will cost anywhere from $35 million to $50 million to remove these people from the valley and relocate them. Who is going to pay? There is not a word in the treaty about that. Do honourable senators not feel, as I do, that it is an extremely important and serious matter for those 6,000 citizens presently living in that area to be ejected and told to go and locate somewhere else? Some of them have lived there for 50 to 70 years.

Honourable senators, I have now concluded what I wanted to say. Perhaps I could have dealt with the subject at greater length, but I thought that by confining my speech to the highlights of the treaty it would afford a better understanding of the situation.

Hon. Mr. Crerar: Might I ask the honourable senator, is the High Arrow dam provided for in the treaty?

Hon. Mr. Reid: Yes, and it is one of the first.

Hon. Josie D. Quart: Honourable senators, may I associate myself with the many honourable senators who have paid such glowing tributes to the memories of the three distinguished senators who have recently passed to their eternal reward. I refer, of course, to the passing of the Honourable Senators Léger and Golding, and the more recent and tragic death of the Honourable Senator Barbour. To their families I offer my deepest sympathy.

Now for a more joyful change of mood, to our honourable and distinguished Speaker, from a *Quebecoise* to a *Quebecois,* and a friend of many years, may I say that I take pride in the flattering compliments paid him by honourable senators on both sides of this chamber. In echoing their remarks, I wish him health and happiness in presiding over the deliberations of this chamber. I hope that his duties this session will not be too arduous in calling us to order.

I wish to share with my colleagues in congratulating the esteemed Leader of the Government (Hon. Mr. Aseltine) upon his appointment as a member of the Queen's Privy Council for Canada, and particularly as this great honour was conferred upon him at *La Citadelle de Quebec* in our old, historic City of Quebec. I was overjoyed to hear the tributes paid him by the honourable senators of both sides of this chamber. Also congratulations are due him for his masterful and well-documented speech in defence of the policy of the Government as contained in the Speech from the Throne. It was a masterpiece.

To the Honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) while I cannot at all times concur with his criticism of Government policy and legislation, nevertheless may I say it is a pleasure to see him sitting across from us, looking so fit and seemingly ready to cope with all eventualities.

I believe I share the opinion of all honourable senators who have so far participated in the debate, that the mover and seconder of the address in reply to the Speech from the Throne acquitted themselves with flying colours in fulfilling the important task entrusted to them.

And who could fail to be impressed by the dignified and eloquent manner in which Canada's great hero of two world wars, His Excellency, Governor General Vanier, read the Speech from the Throne, his perfect bilingualism symbolizing the two great cultures of Canada?

(Translation):

Now, I would like to congratulate most sincerely another honourable colleague from Quebec, the honourable senator from Shawinigan (Hon. Mr. Méthot); I consider him a very good friend. I will always remember the many political campaigns we carried out together; and as you can see, we have managed to survive.

(Text):

Honourable senators, it appeared to me that I detected a particular note of pride in Senator Méthot's voice, a significant smile on his lips, and a twinkle in his eye, when he congratulated the Government for taking an interest in the construction of a railway in the Gaspé peninsula, from Matane to Ste. Anne des Monts. As far back as 1923 the late Monsieur Ross pleaded with Sir Henry Thornton for better transportation facilities in the Gaspé peninsula. He ended his remarks by saying:

> The fate of Gaspé is in your hands.

That sentence became a slogan in Gaspé. In 1932 the then Premier of Quebec, Honourable L. A. Taschereau, repeated this slogan in one of his speeches. In 1944 articles in the newspapers *Le Soleil* of Quebec, *La Tribune* of Sherbrooke, and *Le Nouvelliste* of Trois Rivières recommended this project, and their recommendations were ably supported by *La Chambre de Commerce* of Matane and Gaspé.

In the 1950 *Hansard* of the other place, at page 1690, Monsieur Langlois, M.P., supported by Monsieur Philias Côté, M.P., both Liberal members, asked Monsieur Lionel Chevrier, the then Minister of Transport,

to give serious consideration to their request for railway communications in that area of Gaspé.

The late Mr. Gordon Graydon, Conservative M.P., said at one point:

> You will have to put the Conservative party in power to get that.

—meaning of course the railway from Matane to Ste. Anne des Monts.

Well, the Conservative party is in power, and Gordon Graydon's prophecy will now come true. After years of disappointments the citizens of the Gaspé peninsula must be elated, for they know what it will mean for their industries and for the future development of that wonderful corner of our province of Quebec.

As to the seconder of the Speech from the Throne, the Honourable Senator Hollett, it is obvious that he is no novice in parliamentary debates, and will be a great acquisition and a tower of strength to our small group of Conservative senators; and Newfoundland will have a strong and influential voice to plead her cause in parliamentary circles.

I was particularly interested to hear the honourable senator from Burin (Hon. Mr. Hollett) mention that a large percentage of the people of Newfoundland depend entirely upon the fishing industry and the sea. While he was speaking my mind went back to Canada's participation in the Law of the Sea Conference at Geneva, which met at the same time as the United Nations Status of Women Commission on which I had the honour to represent Canada. The Honourable George Drew was chairman of the Canadian delegation to that conference, and he advanced arguments and proposed resolutions for the adoption by international convention of a territorial sea of six miles and a further six-mile area. Canada's delegation further proposed that countries which have territorial fishing rights between the three and the six-mile limits would retain these rights for ten years. Since 1957 Canada has gone on record in an endeavour to have this international convention adopted, and Canada's resolution at the last conference was defeated by only a one-half vote. The Canadian delegation to the Law of the Sea Conference will continue to work for this international agreement which will mean so much to our Canadian fishermen.

Honourable senators, I admit I was somewhat hesitant about taking part in this debate on the address in reply to the Speech from the Throne, for it has been said that middle age is that perplexing time of life when we hear within us two voices calling out—the lazy laisser-faire voice telling us: "Why bother?", and the lively, more aggressive one with the challenge: "Why not?" However, I decided to heed the "Why not?" voice because my sense of fair play and justice compels me to participate in this debate, and to sound a note of warning. I hope, honourable senators, to get across some beliefs which I hold dearly as a result of friendly conversations and impressions gleaned from delegates of many countries during my four year's dip into the international pool of the United Nations.

It is true that every generation has its own problems, but no generation has faced the extent and rapidity of change which results from the challenges of the world today. Our very survival requires that the countries of the world must learn to live together in peace —"learn" is the key word. Is it not a fact that mutual respect, understanding and sympathy are qualities that are frequently destroyed by unjust criticism? And, with our world becoming, in a sense, smaller and smaller, is it not obvious that all these nebulous statements made by Canadian politicians and others, detrimental to Canada's position in world affairs, could react very unfavourably?

Canada is rapidly facing new and heavy responsibilities in the diplomatic circles of the world. It is certain that in the future these responsibilities will further increase rather than decrease. Present world conditions are enough to shake us out of our complacency, and all Canadians cannot but be concerned about international affairs.

Canadians are part of the flow of history and cannot remain indifferent. We do not live in Utopia, and hence Canada's position in world affairs must be built upon a solid foundation. Great hurdles have to be overcome, and respect for the democratic ideals we believe in must be upheld at the international level by all political parties in Canada. For, as prosperous and privileged as this country may be, there are clouds on our horizon. We must be alert to the fact that there are communistic forces within our midst willing and ready to turn these criticisms, and any state of confusion, to their own advantage.

What will Canada's destiny be? The future of Canada staggers the imagination and its development is a challenge which demands vision, courage and wisdom. But, much will depend upon the loyalty and co-operation between the leaders of political parties during these difficult years on issues which should be considered above party politics, and particularly at this crucial time of psychological war between two ideologies—democracy versus communism.

As one of our cabinet ministers, the Honourable Gordon Churchill, said recently:

> Canada's stature in international affairs has never been higher—
>
> We can have all sorts of differences locally and there are plenty of things on which to differ, but, as far as world opinion and international affairs are concerned, we should show a united front.
>
> Downgrading of Canada at home could only bring damage to her reputation abroad.

Personally, I cannot sympathize with, or understand, the philosophy of those who, even for political reasons, would make statements which could degrade Canada at the United Nations before the very eyes of the world. Where is our national pride when any Canadian could paint a picture of gloom and doom of Canada, so black that in the eyes of other countries these statements, without full regard to the facts, might result in a loss of prestige and hurt Canada's reputation among nations?

Hon. Mr. Pratt. May I ask the honourable senator a question in order to clear up that point?

Hon. Mrs. Quart: Surely.

Hon. Mr. Pratt: Is the honourable senator implying that someone from Canada has acted in that way, and has made such statements?

Hon. Mrs. Quart: May I suggest to the honourable senator that if he reads back in the *Hansard* of the other place he would see those statements.

Hon. Mr. Pratt: But not to the effect that such statements were made at the United Nations?

Hon. Mrs. Quart: I did not say that they were made at the United Nations, because, after all, the senior members of the Canadian delegation at the United Nations today are representatives of our own Government, and I do not believe that they would make statements detrimental to the Government of the country at the present time. Does that satisfy the honourable senator?

Hon. Mr. Macdonald (Brantford): Honourable senators, may I say that I understood the honourable senator to say—and I was surprised to hear it—that someone was speaking in a derogatory sense about Canada at the United Nations.

Hon. Mrs. Quart: No. Would you allow me to repeat what I said?

Hon. Mr. Macdonald (Brantford): No, no. I accept the honourable senator's word entirely.

Hon. Mrs. Quart: You are quite satisfied?

Hon. Mr. Macdonald (Brantford): Yes, indeed.

Hon. Mrs. Quart: In any event, you can read it in *Hansard.*

Hon. Mr. Macdonald (Brantford): I am perfectly satisfied.

Hon. Mrs. Quart: Thank you.

In view of Russia's unrelenting struggle against the Western powers, I can visualize the Soviet bloc gloating over such statements. This situation brings to my mind a little quote which I read recently:

> United we stand—or divided we furnish big headlines for Pravda.

As never before in the history of our country, our leaders of Government are faced with the challenges of unpredictable issues in world affairs. As Canadians we must reaffirm our faith in our leaders if we wish to protect and preserve Canada's prestige.

There is a point about which I am concerned, honourable senators. We have in Canada now many thousands of those whom we call "new Canadians". Many of them have come to Canada because all hope of a good life in their own countries has died. They are fearful of the left, the radical and the totalitarian forms of government which have taken from them the freedoms which we, in this country, take for granted.

Now, with all this unjust and unfounded criticism of our Prime Minister and his Government, these prophets of calamity and ruin are creating doubt and fear in the minds of these "new citizens" of Canada.

Then, what about our young people who are not sufficiently conversant with the fact that the Opposition parties in Parliament are criticizing Canada's Prime Minister and his marvelous record of achievements for purely political purposes—or, for political purposes, leaving out the word "purely"? Our young people could lose confidence in our democratic principles if our politicians continue to twist sound policy for the general welfare of Canada, and stoop to actual irresponsibility to distort truth and debase sincerity.

Again, there are those who would have us believe that Canada's prestige at the United Nations has been lowered. That criticism, although unfounded, could react very unfavourably among the uncommitted nations as well as to strike a blow to the United Nations organization itself.

Criticism of Canada's prestige could shatter the confidence and favourable image which the new, emerging African nations have for Canada. As you know, Canada opposed racial discrimination at the United Nations General Assembly, and it is a matter of fact that East and West look upon Canada as a "hopeful

bridge of understanding" between East and West. This opinion has been voiced many times during the last few years, and I am sure that the honourable senators who have served on Canadian delegations to the General Assembly or on United Nations commissions share this opinion, and that the chief hope for the success of the United Nations lies in the influence of the middle powers. For this very reason there is a serious obligation on Canada to assist and establish good relations with these new African and Asian countries. If we can prove to these countries that we deserve their friendship, they may help the great powers of the West to come to the right decision, to resist the dictators wherever they may be, and to stand for and maintain free institutions. However, many individuals, even in Canada, in a frantic peace-at-any-price type of reasoning that shows little or no understanding of what the communists are striving for, would have the Western powers surrender even honour in order to pacify the Russians.

When we talk to delegates from these new countries we are filled with pride in hearing their appreciation of Canada and of our Prime Minister's magnificent efforts to strengthen and support this great world forum, the United Nations. What Canadian could be so biased as not to admit that Mr. Diefenbaker was the first Western spokesman to address the General Assembly following Mr. Khrushchev's sledge-hammer onslaught of words aimed at destroying the United Nations secretariat and all that is effective in that organization. In that tense and dramatic atmosphere our Prime Minister delivered a speech constructive, straightforward and powerful, without being inflammatory. Mr. Diefenbaker, aware of the needs and developments in the African continent, set the mood which was needed at that crucial hour. It was the all-time greatest demonstration of Canadian leadership in world affairs.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Quart: Thank you. In just a moment, in order to prove my point, I propose to quote from some newspapers that are not always favourable to the Conservative party.

Our country's Prime Minister was acclaimed as an articulate, courageous and fearless champion of the free world, by newspaper writers, radio and TV commentators, as well as by international statesmen from all over the world.

And now may I quote just a few excerpts from newspapers to further prove my point. From the Sherbrooke daily *Record*, September 27, 1960:

> Canadian diplomacy took on new prestige yesterday when Prime Minister John Diefenbaker addressed the United Nations General Assembly.

From the Newmarket *Era and Express* of September 29, 1960:

> Not since the United Nations was formed years ago have there been many more stimulating speeches than that by our own Prime Minister this morning.

From the Regina *Leader-Post*:

> Canada's Prime Minister did himself and his nation proud in his address to the United Nations General Assembly.

From the daily *Gleaner* of Fredericton, New Brunswick, of September 27, 1960:

> Prime Minister Diefenbaker's speech in the United Nations yesterday rose to the heights of oratory and statesmanship.

From *Le Devoir*, Montreal:

> Mr. Diefenbaker made a solid contribution to the United Nations.

From the Windsor daily *Star* of September 27, 1960:

> Canadians can be proud of Mr. Diefenbaker's speech and the effect it had on the world assembly.

From Clyde Blackburn, in Toronto *Telegram*, of October 1, 1960:

> Perhaps no Canadian Prime Minister has ever spoken so freely about such an important and delicate matter as did Mr. Diefenbaker when he took Mr. Khrushchev apart.

Canadian prestige has never been higher. I quote Patrick Nicholson, writing from the United Nations in New York during the last session:

> I find that Canada's prestige, on this, the world's diplomatic stage, stands higher today than ever before. And Canada's performance on this stage is deservedly winning louder applause from more foreign nations than ever before.

Further evidence of great leadership during the last few years has been given by our own Secretary of State for External Affairs, the Honourable Howard Green. His patient, calm but skilful manner of negotiating on many almost hopeless issues won for him an enviable position at the United Nations, for together with the members of the Canadian delegation he has on many occasions won support for Canadian policy and resolutions.

The present session of the General Assembly opened on September 19, the most critical time since the United Nations was formed in 1945. Many observers expressed pessimism

even about the prospects for world peace and for the future of the United Nations. The tragic death of its most effective adviser, Secretary-General Dag Hammarskjold, cast a dark shadow on that great world organization, and the situation and atmosphere at the assembly could hardly have been gloomier.

Here let us pause and look back to 1945 when Canada was one of the 51 nations which met at San Francisco and helped charter the United Nations as a living spirit of voluntary co-operation and good will in a shaken world, badly scarred from two world wars.

Our Prime Minister the Right Honourable John Diefenbaker, the Right Honourable Louis St. Laurent, and the late Right Honourable Mackenzie King were members of that Canadian delegation that signed the official charter.

Since the birth of this organization, the world has witnessed many changes. The world's population has steadily increased, and continues to grow at an unprecedented rate. Colonial and dependent peoples, such as on the continents of Africa and Asia, have brought new nations into being and have assumed a very significant role in world affairs.

In 1945 the Western powers stood at the helm, but today it is a very different story—51 nations then, 104 today.

Since 1945 technological advances have further reduced the gaps of time and distance between countries. Science has enlisted the atom, and radioactivity has become a new tool for research; and now man reaches out to the unexplored dimension of outer space, and it seems but a question of time before a man, or maybe a woman for that matter, will reach the moon. Who knows, maybe the next generation, or perhaps ours, will be spending its increased old age pensions sent out on bilingual cheques—thanks to a good Government—or again, maybe some honourable senators will be spending some sort of Senate pension on the moon, on Mars or some other planet.

So, while our feet are still planted on this good old earth it seems appropriate to try, by better understanding of each other's problems, to enjoy some of that peaceful coexistence the Russians are always talking about, which promises Paradise on earth, but their international ugliness and cold-war tactics are actions in reverse.

This reminds me of a story. A Russian peasant who visited a zoo in Moscow for the first time was surprised to find a big bear in the same cage with a tiny white lamb. "What's that?" the peasant asked. "That", said the Russian guide boastfully, "explains Russian peaceful coexistence". The peasant still looked puzzled. "Of course", added the guide confidentially, "we have to put a new lamb in the cage every morning."

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At this session of the General Assembly the sentiment about colonial issues and racial discrimination ran rampant; and the attitude and influence of the newly-emerged African states, now the largest single group in the assembly, must be considered as an unpredictable factor.

Through all these difficult days Mr. Green was a tower of strength, and was ably supported by our own Senator Brooks, as vice-chairman, and as well by other members of Canada's delegation. Our delegation played a leading role among the delegates from the African countries to win their support, and their reactions were prompt and favourable. And these new nations deserve credit for their evaluation of the problems confronting the United Nations.

Here, may I bring to your attention a few highlights of this sixteenth session of the United Nations.

Early in the session, the Canadian delegation sought energetically to crystallize the concern of the great majority of member states about the potential hazards for the people of the world which could result from the increased radiation discharged into the earth's environment, following the resumption of atmospheric nuclear tests by the Soviet Union. This was consistent with Canada's role in this field. At this session, 24 other states joined with Canada in submitting a draft resolution which was adopted by a vote of 74 in favour, none against, with 17 abstentions, designed, on the one hand, to focus the attention of all nations on the consequences of increased fallout and, on the other hand, to put forward concrete proposals for accelerating research on the effects of radiation.

Then again, Canada joined with seven other states in co-sponsoring a resolution calling on the Soviet Union not to carry out its intention to explode a 50-megaton bomb. Although this resolution was supported by 87 delegations and opposed only by the Soviet bloc and Cuba, the Soviet Union later went ahead with two very large explosions in defiance of the General Assembly appeal and world opinion.

Also at this session Canada was able to carry forward the proposal which Mr. Diefenbaker launched in 1960 to establish a "food bank" for the world's suffering and starving people. At this session Canada was joined by seven other countries and secured approval in the General Assembly for a world food program which will run for an initial experimental period of three years. Canada has offered up to $5 million worth in commodities and cash. Surely, honourable senators, Canada's surplus of wheat would be difficult to justify when more than 1½ billion human

beings suffer from lack of food. I quote Dr. Sen, the Director General of the United Nations Food and Agriculture Organization:

> These starving people subsist on a diet that would quickly reduce a westerner to skin and bones.

These are just a few of Canada's humanitarian proposals at this session. I shall reserve further comments about Canada's important contribution this year, as I am sure the honourable senator from Royal (Hon. Mr. Brooks) upon his return will be rendering an account of his stewardship as vice-chairman of the Canadian delegation.

In concluding, far be it for me to miss an opportunity to get a word in about women.

The women of Canada, and of our Conservative party in particular, are most fortunate in having a Prime Minister who is conscious of the role which women should play in the life of Canada.

It is very easy for any Opposition group to pay lip service and make promises to women, if and when their party will be elected to power. But Mr. Diefenbaker has demonstrated in a tangible way his faith in women by the numerous appointments he has made since his Government has been in office. Apart from appointing the first woman to Cabinet rank, the Honourable Ellen Fairclough, he has appointed a woman ambassador for Canada, Miss Meagher, two women senators, my deskmate and honourable colleague, Senator Irvine, and myself. That is not a bad batting average since 1957. We have four women members of Parliament, one of whom, as I have said, is a Cabinet minister.

Hon. Mr. Macdonald (Brantford): And one is a Liberal.

Hon. Mrs. Quart: Is that a question?

Hon. Mr. Choquette: One is a Liberal.

Hon. Mr. Macdonald (Brantford): May I draw to the honourable senator's attention that one of the lady members of Parliament is a Liberal?

Hon. Mrs. Quart: I correct myself by saying that one of the four Conservative members is a Cabinet minister.

I am sure some honourable senators of the distaff element of the Senate will agree that for years the national organizations have presented briefs to the Government for the appointment of a woman to the Parole Board. The first woman to the Parole Board, Miss Lynch, has been appointed. I could go on and on, for today more women are members of commissions and boards, and hold top administrative positions than ever before.

Thank you, honourable senators, for your kind attention.

Hon. A. B. Baird: Honourable senators—

Hon. Mr. White: Honourable senators, it was arranged between the Whip on the other side and myself that the senator from St. John's East (Hon. Mr. Higgins) would, when the senator from Victoria (Hon. Mrs. Quart) finished her address, adjourn the debate, and I have had no information of any change in that arrangement.

Hon. Mr. Macdonald (Brantford): I understand that the honourable senator from St. John's East intends to make only a short speech.

Hon. Mr. White: If he is to deliver only a short speech, I have no objection.

Hon. Mr. Higgins: I have no objection to deferring my remarks until tomorrow.

Hon. A. B. Baird: Honourable senators, I wish to congratulate the mover (Hon. Mr. Méthot) and the seconder (Hon. Mr. Hollett) of the address in reply to the Speech from the Throne for their very informative speeches.

I extend to Senator Hollett a very warm welcome to this chamber, and I congratulate the Government which he supports for making such an able appointment.

Honourable senators, I should like to begin by directing your attention to one short sentence from the Speech from the Throne. It has been mentioned only briefly in this chamber by other honourable senators, and indeed, in itself perhaps it does not merit undue attention. However, I choose it as symbolic of some very serious deficiencies in the present Government's approach to its direction of this country's affairs. The statement is this:

> A measure relating to the Senate will be placed before you.

Perhaps the honourable senator from Burin, (Hon. Mr. Hollett) was voicing an informed guess when he said,

> Who knows, the measure spoken of in the speech may have reference to our indemnity and not at all to our demise.

But to me the important words in that sentence were "Who knows".

The honourable senator from Shawinigan (Hon. Mr. Méthot) has already said quite frankly,

> I do not know what legislation relating to the Senate will be brought forward by the Government...

One is tempted to ask in the face of this admitted lack of information, whether the Government itself has exactly decided what measures relating to the Senate proposes to introduce. If something definite has been formulated, why was it not stated in so many

words? Can it be that members of the Government are still trying to reach a decision acceptable to them all on legislation regarding this chamber? If so, judging by several recent events, it would not be the first time such a situation has arisen.

What do we see in this one sentence from the speech? At the very least, concealment certainly, vagueness to an almost ridiculous degree. By inference there is indication of indecision and of unwillingness to face issues which should be faced. Perhaps the greatest problem in this country today with its leadership, and with the great number of those who are led, is the failure to face issues.

There has been a great deal of grand talk about minor improvements in the level of employment which have recently been noted, but there has been no effective action to solve the basic problem of a hard unemployment core, a core which will remain until our economic progress is encouraged in farsighted ways.

There has been rejoicing that our trade has improved slightly, and some have attributed this to the efforts of bands of Canadian trade missionaries sent on safaris—they have also been called circuses—around the world; but there is no solid, effective move to solve the long-range problems that the European Common Market and Britain's desire to join it, and the willingness of the United States to co-operate with it, are assuredly going to bring us.

There have been favourable comments about our defence posture, which seem to be completely unrelated to the naked facts of today's power-bloc world. It seems as if we have a half-open window on this cold-war world; it is not entirely closed to the idea of Canada as a nuclear participant, nor open to a decision that we should be one. Meantime, the international crisis deepens and we take a less and less effective part in solving it.

In the fiscal sphere the Government has revealed only further indecision, postponement and temporizing.

The year 1961 saw a considerable revival of economic activity in this country, and it continues into early 1962. But, already reliable press reports are telling us that the level of economic activity in the United States is expected to reach a peak in mid-1962, and that continued expansion cannot be guaranteed after that time.

By trade, as well as geography, we are inevitably linked to what happens south of the border, and it is most likely that what happens there will happen here, if we take most past experiences as a good forecast.

The Speech from the Throne, however, contains nothing to make us believe that the Government is facing issues of this magnitude. Instead of dealing frankly with our industrial employment problem, our trade problem, and our economic development, and how these problems might be solved, there is simply the promise that more money will be spent.

Undoubtedly if one is to judge by the wording of the speech, the money will be spent worthily. The aged will be assisted with more ample funds, for example. No one could argue with such noble motives.

But how is money for greater Government welfare measures to be provided at this time? The Canadian dollar is weakening to an alarming degree on the world money markets. The country's present level of economic activity is providing so many tax dollars, but just so many and no more, and as industrial activity slows, much fewer.

If welfare or other money-spending measures are carried out at this time without adequate tax revenue to recoup their cost the result can only be a further decline in the internal and external purchasing power of our dollar. I believe this fact needs real emphasis. Not only will the internal purchasing power of the currency decline, increasing the cost of living if an excessive amount of money is put into circulation, but also, because of our precarious trade situation we shall see a declining acceptance of the formerly hard Canadian dollar in foreign countries.

I would be presumptuous to say, no matter who I may be, that Government policies today have brought this country to the brink of ruin. But I would be neglecting my duty as a member of this chamber if I did not call attention to this general major issue of refusing to face facts.

We have on our hands major defence problems which have not been solved; major problems in connection with unemployment and economic development, which have not been solved; major trade problems reaching far into the future, for which no effective solution has been suggested; and a considerable number of fiscal and monetary problems hinging on all these.

The Speech from the Throne, honourable senators, suggests no solution. It only presents more problems, when one confronts it with the basic facts of Canadian economic life.

On motion of Hon. Mr. Higgins, debate adjourned.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

Hon. David A. Croll moved the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

He said: Honourable senators, this is the third time that I have moved second reading of a bill similarly entitled. On the first occasion the bill received second reading and was before the Banking and Commerce Committee when prorogation supervened. On the next occasion the motion for second reading was defeated in this chamber by the comparatively narrow-margin vote of 26 to 35.

The present bill, though similarly entitled, has been considerably revised, renovated and delimited in the light of the excellent debates which took place in this house on two previous occasions. Some honourable members thought that the bill was all too-embracing in its scope and too simple in its form to be entirely practical.

It was my own belief, and I perhaps was somewhat naïve, that the bill did require modification and refinement, but that the bill could have been worked out in committee. However, a good many senators disagreed and felt that some modification and refinement should be made before and not after the bill went to committee.

The sole purpose of the bill is to require every person who carries on the business of extending consumer credit to disclose in writing to the consumer of such credit the total cost thereof, expressed both as a lump sum and in terms of simple annual interest.

The bill is restricted to the field of consumer credit and has no application to cash loans, mortgages on real estate, etc.

Furthermore, no criminal liability would flow from non-compliance with the bill, but in the face of non-disclosure, a credit financier would be unable to recover or retain any finance charges whatsoever on any unpaid balance in respect of which he has extended credit.

Frankly, I sought advice from many quarters about this bill, but more particularly from the Consumers' Association of Canada, the Canadian Federation of Agriculture, the Canadian Congress of Labour, the Canadian Welfare Council, credit unions, co-operatives, and the Canadian Catholic Conference, as well as others. But I wish to make it very clear that this bill is my responsibility and mine alone.

I think I have done some homework on this bill, refining and restricting its application in the light of advice which I have sought and received, while retaining the underlying principles intact. I repeat, that in so doing I have regard for the attitude taken by the honourable senators who participated in previous debates.

If people were asked by a bank to pay 20 or 30 per cent on their borrowings they would immediately cry "robber" and the incident would be blown up to the national scandal it would be. Yet, even now, the same people are paying that and more on the purchase of used cars, refrigerators, TV sets and other consumer goods too numerous to mention—although I shall mention some before I complete what I have to say.

Some of the credit financiers, as defined by the bill, do not like the use of the word "interest": they speak of "finance charges", and "service charges", and sometimes they are even driven to speak of "legal charges". Yet all of these are the cost of borrowing money.

When we ask ourselves, and I am sure that we often do, why people enter into such contracts, the answer just does not come easily. Yet we appreciate how easy it is to say, "Charge it". It is so easy to sign a piece of paper and walk away with the merchandise; it is so easy to avoid finding out what the finance charges are, not immediately having to face up to them. Sometimes it is difficult to obtain the right answer.

Honourable senators, I repeat, the purpose of the bill is to require the lenders and vendors to tell the truth about interest rates and finance charges. In too many instances the borrower is deceived into paying a higher cost for credit than he has been led to expect. The consumer has every right to know what he is getting into, and if he does not know or care enough to protect himself it is our duty to do something to protect him.

This bill does not attempt to control consumer credit or interest: it will protect the innocent and unsuspecting. In this age of the credit card mentality the consumer is being sliced up like a piece of cheese, and he hardly realizes it.

Honourable senators, I have said that this bill has been somewhat changed. In the first place I have limited it to consumer credit.

Hon. Mr. Macdonald (Brantford): What does that mean?

Hon. Mr. Croll: I shall explain that in a moment.

Hon. Mr. Macdonald (Brantford): It is not in the interpretation clause.

Hon. Mr. Croll: It is.

As I was saying, I have limited the application of the bill to consumer credit, extended to what the act defines as a "credit financier". Without wishing to become too technical during the general debate, perhaps it would be helpful at this time were I to read the definition, which is as follows:

> (a) "credit financier" means any person who in the ordinary course of his business, whether operated separately or in conjunction with some other business, enters into a transaction with another

person arising out of a sale or agreement for the sale of personal property, or the provision or agreement for the provision of services, to such other person, either for present or future delivery or performance, whereby the whole or part of the price or remuneration therefor is to become payable to such person after the transaction is complete;

While I feel that the principle might well go further than is provided for in this bill, in my view the bill does constitute the first important step towards the protection and relief of consumer credit. The need for this protection and relief arises partly from consumers' own ignorance and, perhaps, even lack of concern; partly from the confusing and misleading form in which credit terms are explained; and partly from the failure, in particular, of the credit financier to provide essential information to the unfortunate consumer as to what he must pay for receiving the credit.

This bill will also ensure the provision of common, compulsory and all-inclusive standards whereby consumers of credit may fairly compare the costs of credit as charged by credit financiers of various kinds.

In this chamber we have recently seen the solicitude with which the problems of the producers are viewed by governments. On the other hand, the consumer, and particularly the consumer of credit, is the forgotten man of contemporary politics. That is very difficult to understand, but it is perhaps partly because consumers, being so numerous, are incapable of being able to put up any kind of effective lobby in their own interest. While we have other vocations and avocations, nevertheless all Canadians are consumers and, for that matter, the great majority of Canadians are also consumers of credit. Accordingly, legislation designed for the protection and relief of consumers should presumably be in the general interest of Canada.

The Canadian consumer feels he is being exploited, and he knows that there are abuses in labelling and advertising credit which today can be more adequately described as sophisticated huckstering. It is not necessary to exaggerate in order to state the case. We must stop pretending to one another that everything is perfect. Everything is not perfect; a lot needs to be done. We must be realistic. A law such as I have proposed can help to get done what needs to be done at this time. The veil of secrecy and confusion which covers the entire field of consumer credit must sooner or later be lifted. The present bill reflects my feeling that it should be sooner rather than later. I hope that this house agrees with me and that we will all be present at the unveiling.

Now, honourable senators, let us examine some details. The Retail Merchants' Association has said that the legislation is unworkable, that it would entail too much work to figure out the true interest rate on an individual purchase because of the great variety of retail prices and terms. It would entail some work. That association gives as an example the case of a $20 battery on which the carrying charge is $2. A man buys that battery on Monday, and starts paying the following Friday, which is payday. He is paid every two weeks, so he makes his four biweekly payments of $5 each, with a final payment of $2. Now he has repaid the $20, and the $2 carrying charge. The Retail Merchants' Association says that out of 25 replies to inquiries made in order to ascertain the interest rate there were 25 different answers. That may be true, but they would all be reasonably close.

The facts are these: A man pays $2 carrying charges for an item costing $20, and he pays it in 60 days. Two dollars is 10 per cent of $20, so, he has paid 10 per cent in 60 days. He has paid 10 per cent in two months, which is 60 per cent annually. Is it any wonder that they do not like this bill?

Let me give honourable senators some further support for my contention that the need for this bill is overwhelming and urgent. I have here a cutting from *Maclean's* magazine of December 3, 1960, in which the writer says:

> In a week of shopping in an assortment of Toronto stores, I found out how confusing credit charges can be.
>
> In the Chesterfield Shop, near Yonge and College, I looked at a chesterfield and chair on sale for $349.99—let's say $350. A salesman told me I could have it for $35 down and 24 monthly payments of $16.50. After some rapid calculation, I pointed out that this was a total of $431—that I would be paying $81 interest. This interest, on my unpaid balance of $315, was 25½% for two years. Oh, no the salesman said, consulting a finance company chart, the interest was only 23%. How come? I said. That's what it says, he said, looking again at the chart. I reasoned that the extra charge was some sort of insurance, or that the finance company computed its interest on the whole price of the chesterfield and chair, and left.
>
> At Simpson's, I priced a bedroom set at $475. With 10% down and two years of monthly payments, I would pay 15% of my unpaid balance in interest. But

the surprising thing was, no one mentioned interest. The 15% was described only as a service charge.

At S & B Appliances on Yonge Street, the owner quoted a $29 down payment and 24 payments of $10.96 for a hi-fi set listed at $229. Credit here would cost me 31½% of my unpaid balance.

That was the catch, I discovered. With the exception of the major department stores, retailers "sell" the customer's note to finance companies—in Toronto, mostly to the Gibraltar Discount Company, Seaboard Finance, or the Industrial Acceptance Corporation. Most salesmen simply read the payments from a chart, and don't understand themselves exactly what you're paying for.

At the head offices of IAC, an officer who asked to remain anonymous told me his company doesn't charge "interest" at all. They just collect a "service charge" that covers their own overhead and profit.

"The public only understands the number of dollars they pay anyway," he said.

I now refer, honourable senators, to a survey that was made in the province of Manitoba, and which was reported upon in the Winnipeg *Free Press* of September 5, 1961, and I quote in part:

> In one appliance store, the writer was quoted the price of $229 on a hi-fi set. He could, he was told, purchase the set on time payments with $29 down, and 24 payments of $10.96 each. The final price of the article thus became not $229 but $292. Credit on this article would cost a buyer 31½% on the unpaid balance. An unthinking buyer, however, might purchase the set under the illusion that he was paying only the given price of $229.

I realize that many honourable senators have had their own personal experience, but these surveys were made by responsible people and they appeared in the press without any denials being made.

Hon. Mr. Dupuis: May I ask the honourable senator a question with respect to this system of selling on credit with high interest charges? Is the sale not made through a contract attached to which is a note which is transferable?

Hon. Mr. Croll: Yes.

Hon. Mr. Dupuis: And there is the provision that if the first payment, or some other payment, is not made the company to whom the note is transferred has the right to sue upon it?

Hon. Mr. Croll: What you are saying is that it comes into the hands of a third party. I have made provision to cover that, in that the Governor in Council may make regulations in the light of what is required to be done, so that if it is passed on to a third party it will be taken with notice. There can be no difficulty in that respect.

I should like to give you some more instances, honourable senators, because these are crucial. I did not personally dig them up, but I have them here and I think that honourable senators should be made aware of them. I read next from the issue of the Toronto *Daily Star* of January 9. These instances were collected by a very distinguished and famous columnist whose name would not be unfamiliar to you, namely, Pierre Berton:

> The other day I asked my Operative 67 to price some TV sets, washers and 'frigs in 10 of the city's leading appliance stores, and try to find out what the interest rate was. Eight stores didn't know or care: They had a schedule of monthly payments and that was that. Two others quoted a rate that was wrong. A salesman at Hutchinson Radio said their rate was 12 per cent per annum. He probably believed that it was, but the firm of actuaries I engaged to work out the cost of a loan of $225 on a G.E. washer on various time payments placed the average rate at a little better than 27 per cent. Again, at Macey's Appliances a salesman quoted a rate of "one per cent a month" and added "that even Eaton's and Simpson's don't do better than that." But the rate for a G.E. washer ($269) financed over two years, worked out at just under 26 per cent. (A spot check at Eaton's and Simpson's shows their finance charges in the 16 to 18 per cent range.)

Mr. Berton goes on:

> The Operative price instalment payments over various periods in a borrowing range that varied between $220 and $320. In only two instances out of more than 40 did we find a rate that was less than 20 per cent; A Moffat washer, of which $289.95 was financed over six months at Danforth Radio and a Maytag washer financed over 12 months at Toronto Washing Machine. Both rates were about 19.5 per cent. Both these companies were at the low end of the scale with rates averaging around 20 per cent.
>
> At the high end of the scale we found Heather Hill Appliances in the 29-30

per cent range for a G.E. washer and Turk's Furniture and Appliances where the rate for a Marconi TV set financed over 10 months came to 32.8 per cent. On a 24-month payment plan Turk's dropped to 28.4 per cent. In some stores, however, the rate was higher for a shorter loan period; we found no consistency of any kind from store to store, even among stores that used the same finance companies.

The other appliance stores that we checked averaged around 25 per cent. New Era Appliances were in the 22 to 24 per cent area. Trader Hancock's ran between 23.5 and 24.5 per cent. Mathews, Caplan, Hutchinson and Macey's ran between 25 to 27 per cent.

That investigation continued, honourable senators, and on January 23 the Toronto *Star* ran another story by the same columnist. When he wrote the original story he promised he would write at least one other one. This is even more interesting, because it is not given to any one of us here to be able to get all of this information together. We have to rely pretty well on our own personal experience, and what information we obtain from our friends. Sometimes we are not too sure that we are getting the right information from our friends. But, this was printed, and if it was incorrect then action would have been taken.

Mr. Berton continues:

> This last truth was brought home forcibly to Operative 67 who last week shopped 12 furniture stores in Toronto and asked each of them the same question: I would like to make a substantial purchase of furniture at your store. I am also willing to make a substantial down-payment, but I should like to finance $550 of it. What will my effective annual rate of interest be?

That same question was asked of all the stores, and Mr. Berton says:

> Not one of these stores was able to give her a correct answer. Three stores: Times Scarboro, Ltd.; Botnik's on Parliament St.; and New Era Appliances honestly didn't know the interest rate and didn't pretend to know. They did, however, have a standard chart showing finance charges from which the interest rates could be worked out. The broad discrepancy in finance charges across the city can be seen in these three examples: The New Era charges worked out in the 17-18 per cent range (differing slightly depending on the loan period). Botnik's charges were just over 25 per cent. Times Scarboro charges were upwards of 28 per cent.
>
> Obviously, then, a customer should shop for finance charges just as he shops for furniture. Sometimes (but not invariably) stores with high finance charges sell furniture or appliances at lower prices. My Operative was told on several occasions that in some cases there was a kickback from the finance companies which gave a store a larger margin of profit that it appeared to be getting.

He continues:

> Here is the record:
>
> At Danforth Radio, my Operative was told the interest rates were in the 9 to 10 per cent range. But when we worked out the charges quoted—24 monthly payments at $27—the interest rate came to 17.5 per cent per annum.
>
> At Adams Furniture, the Operative was told that the interest rate was one per cent per month. What she wasn't told was that this was a discount rate and that she would be paying interest at that rate on money she had already paid back. The effective rate of interest worked out to double this amount—or 24 per cent per annum.
>
> At Murray Collis Furniture, the salesman quoted the interest rate at 12 per cent per annum. But at the rates he quoted, $29 a month for a two-year period, the effective rate of interest works out to 25.4 per cent.
>
> At Fallingbrook Furniture and Appliances the Operative was quoted a rate for two years at eight per cent per annum. The company finances these short-term loans itself. "You wouldn't get any finance company that low," the salesman said. The Operative asked for actual figures and got them. The actuarial firm I hired to work out all these figures places this rate at 15.3 per cent.
>
> At Lyons Furniture, the Operative was quoted two rates of interest depending on the term of the loan. Up to 18 months, the salesman said, the firm did its own financing and charged nine per cent per annum. He quoted a payment schedule of $37 a month for 18 months with the final month coming to a little more. The effective interest rate, however, turned out to be 30.4 per cent—not nine.
>
> Sandler Furniture Company also said its interest rate was one per cent per month. This time the salesman told my Operative that she would pay interest only on the amount owing. But the figures

he quoted showed just the opposite, suggesting that the total cost of the money was nearly 24 per cent.

Mayfair Furniture also quoted one per cent per month which seems to be about average for a discount rate. The Operative again asked for specific figures and was given them. When they were worked out the effective rate of interest came to 25.6 per cent.

Thus, we had effective rates from around 17 per cent to 30 per cent while quoted rates ran from eight per cent to 12 per cent.

Honourable senators, I have placed on record some examples that have already been published for all to see. It is my own view, and I have said it before, that I have never been able to envisage any material improvement over the political philosophy that the object of government is to promote the greatest good of the greatest number. In my view, the present bill will do just that, and it is my hope that it will commend itself to a majority of Canadians and to the members of the Senate.

I have here a cutting from the Winnipeg *Free Press* of February 9 and one from the Peterborough *Examiner* of February 5. I would like first to read a short quotation from the article appearing in the Winnipeg *Free Press*, as follows:

> Senator Croll now has on the Senate Order Paper another bill with the same objective, but in simpler terms. Where the senator's previous bills would have required all extenders of consumer credit, loan companies and mortgage holders, etc., to reveal interest charges, the present bill covers only credit offered on the purchase of consumer goods. The bill, if passed, would compel every person who carries on the business of extending consumer credit to disclose in writing to the consumer the cost of the credit, expressed both in dollars and cents and in terms of simple annual interest.
>
> Some merchants and their associations have expressed opposition to this idea. One cannot but wonder why.
>
> Most consumers, when they buy goods on time, have but the vaguest idea of what they are paying in credit charges, either in dollars or in terms of interest. A Toronto columnist recently investigated a number of stores in that city and found that in nearly every case the salespeople concerned had no idea of the interest rate or of the cost of credit.
>
> Legislation such as that proposed by Senator Croll would impose no penalty on honest merchants. The consumer would know what he was being charged and would be free to act accordingly. There is no suggestion that interest rates be controlled. The eminent good sense of this proposal makes it hard indeed for the ordinary person to understand why so many merchants oppose it.

The editorial in the Peterborough *Examiner* is written in the same tenor and gives expression to similar views. A member of this house, who has long been interested in the *Examiner,* supported this legislation the last time it came before the Senate and he may have something to say about this bill.

Honourable senators, this bill does not cover cash loans, banking transactions, mortgages or real estate transactions. They are dealt with federally by the Bank Act, the Loan Companies Act, and the Small Loans Act, and it is at least arguable that should provision for disclosure be considered desirable in those fields, the specific acts themselves should be amended accordingly. At any rate, the present bill deals exclusively with the extension of credit in respect of any unpaid balance arising out of any agreement for the sale of goods or for the provision of services. I need hardly remind this house that consumer credit constitutes a very considerable segment of our economy and that it is not regulated federally.

I mentioned earlier that the main principles of the former bills are incorporated in the present one. They are:

(1) That the consumer of credit is entitled to be informed of the total cost of the credit being extended to him and also to be informed of what this means in terms of simple annual interest;

(2) That the total cost of the credit, if the legislation is to be at all effective or meaningful, must include all the charges therefor whatever they may be called.

This latter principle is, of course, already contained and implemented in the Small Loans Act in respect to case loans and has been accepted for a great many years.

Honourable senators, there is a good deal more I could say about this legislation. However, I will have a further opportunity to do so at the conclusion of this debate. My hope is that in the form of the new bill I have, while retaining the basic principles above enunciated, eliminated most if not all of the points in respect of which the earlier bills were criticized. I invite honourable members to study the bill, to talk about it to their friends and constituents, and the people involved, and see what they have to say about the need for some such legislation as this. I shall of course, be looking forward to hearing the views of honourable senators

and I hope that on this occasion the Senate will see fit to support the bill.

On motion of Honourable Mr. Hayden, debate adjourned.

PRIVATE BILLS

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. L. P. Beaubien moved the second reading of Bill S-3, respecting The Mutual Life Assurance Company of Canada.

He said: Honourable senators, The Mutual Life Assurance Company of Canada is requesting that we pass this legislation in order that it will be entitled to use a French version of its name. About one-sixth of the company's business is done in the province of Quebec, and in dealing with French-speaking people it carries on its transactions, prints its policies and other material in the French language. The company's agents have said that it would be helpful to them if the company were allowed to use a French version for its name.

In asking that it be allowed to use a French version, the company has suggested that it be permitted to use the name La Mutual Life, compagnie d'assurance du Canada. In asking for this name, which contains the English words "Mutual Life", the company feels first that as Mutual Life is a very well known name throughout Canada, the retaining of those two words would help them in their business. Also, in the province of Quebec there are six or seven companies doing business whose names incorporate the French word "mutuelle", and this company did not want to use the French word in its case.

Honourable senators, The Mutual Life Assurance Company of Canada was incorporated as an Ontario company in 1868, and ten years later was incorporated as a dominion company. The charter that was granted to it in 1878 was further amended, and its powers were enlarged by five other acts, the acts of 1889, 1894, 1900, 1903 and 1925. In the year 1900 it also changed its name from the Ontario Mutual to the Mutual Life Assurance Company of Canada. The Mutual Life has since its inception been a mutual company, and was the first mutual company in Canada.

Honourable senators, The Mutual Life is asking for the passage of this bill because it feels that a French version of its name will make it easier for people in the province of Quebec who speak French to do business with the company. I therefore strongly recommend the adoption of the addition of the French name for consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Beaubien (Bedford), bill referred to the Standing Committee on Banking and Commerce.

WESTMOUNT LIFE INSURANCE COMPANY—SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill S-4, to incorporate Westmount Life Insurance Company.

He said: Honourable senators, this is a bill to incorporate a new life insurance company under the name of Westmount Life Insurance Company, with its head office in that city, which is in the province of Quebec, and with the ordinary powers which this Parliament is accustomed to confer upon companies carrying on the business of life insurance. You may ask, of course, why a new life insurance company should be required, as it may be considered that there are already sufficient companies carrying on in that field of business. In that connection, I have been furnished with some rather remarkable statistics as to the growth of life insurance in this country during the period 1950-1960.

During that period of ten years, the life insurance in force in this country has increased by 184 per cent. In 1950 there was $15.7 billion of life insurance in force in Canada, and by the end of 1960 this figure had risen to $44.6 billion. So honourable senators will see that there has been a very large increase, and that would seem to indicate that there is room for another company carrying on this class of business.

The principal promoters of the bill are the two men whose names appear as the two first applicants for incorporation in the bill itself, Messrs. Dickstein and Dennis. They are residents of Westmount, comparatively young men, and have up till now carried on an exceedingly successful business as life insurance agents. There is to be an American interest in this company if it is incorporated, in the shape of the very well known New York banking firm, Kidder, Peabody and Company, who apparently are great experts in the insurance business; but I am instructed that the control of the company will at all times be Canadian.

As honourable senators will see from section 5 of the bill, it is proposed to start with a paid up capital of $500,000 and with a surplus of an additional $500,000, so that the company will commence its operations with $1 million. That will be represented by a majority shareholding in the shares held by the Canadian promoters, and the minority holding will

be that of Kidder, Peabody and Company. I am informed that it is intended at all times to maintain Canadian control of the company in that manner.

I am advised that at all stages in connection with the preparation and presentation of this bill the promoters have been in closest touch with the Superintendent of Insurance, and that he has no objection at all to the bill.

If the bill receives second reading, I would ask that it be referred to the Standing Committee on Banking and Commerce, at which the promoters can be heard, and at which also, as is customary, honourable senators will want to hear the Superintendent of Insurance, whose views, as honourable senators know, always carry great weight with that committee in insurance matters generally.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hugessen, bill referred to the Standing Committee on Banking and Commerce.

WAR SERVICE GRANTS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-36, to amend the War Service Grants Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Order Paper for second reading at the next sitting.

Motion agreed to.

VETERANS INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-37, to amend the Veterans Insurance Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 14, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

INTERNAL ECONOMY

REPORT OF CIVIL SERVICE COMMISSION

The Hon. the Speaker: Honourable senators, I have the honour to present the following report from the Civil Service Commission concerning the position of Parliamentary Reporter of the Senate:

Report read by the Clerk Assistant:

February 12, 1962

CIVIL SERVICE COMMISSION

To The Honourable The Members of The Senate.

The Civil Service Commission has the honour to submit the following report.

A recent competition conducted to fill a position of Parliamentary Reporter, Senate, produced only one successful candidate, Mr. Lorcan OhUiginn. He is employed at present, under authority of the Speaker of the House of Commons, as Assistant Parliamentary Reporter at $6900 per annum. He has indicated that he will not accept appointment as Parliamentary Reporter at a salary less than $7500 per annum, the third rate in the class range.

Pursuant to the provisions of Sections 60 and 62 of the Civil Service Act, the Civil Service Commission recommends for approval the exclusion of position SC-A-140 from the operation of Section 12 of the Act, in order to provide for the appointment of Mr. Lorcan OhUiginn as Parliamentary Reporter at a salary rate of $7500 per annum, effective from the date he reports for duty. It is considered that in all other respects this position should be subject to the provisions of the Civil Service Act.

Respectfully submitted,

Sam Hughes
Chairman
Ruth E. Addison
Commissioner

Mark R. Drouin
Speaker of the Senate

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Walter M. Aseltine: Honourable senators, in keeping with the usual procedure in matters of this kind, I now move that this report be referred to the Standing Committee on Internal Economy and Contingent Accounts.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-66, to amend the St. Lawrence Seaway Authority Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1961, pursuant to section 7 of the Department of Citizenship and Immigration Act, chapter 67, R.S.C. 1952. (English and French texts).

OLD AGE SECURITY ACT
OLD AGE ASSISTANCE ACT
BLIND PERSONS ACT
DISABLED PERSONS ACT

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-54, to amend the Old Age Security Act; Bill C-55, to amend the Old Age Assistance Act; Bill C-56, to amend the Blind Persons Act; and Bill C-62, to amend the Disabled Persons Act:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bills.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move that the report be adopted now.

Report adopted.

OLD AGE SECURITY ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Salter A. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-54, to amend the Old Age Security Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

Hon. John M. Macdonald, with leave, moved third reading of the bill.

Motion agreed to and bill read third time and passed.

OLD AGE ASSISTANCE ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-55, to amend the Old Age Assistance Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

Hon. Mr. Macdonald (Cape Breton), with leave, moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

BLIND PERSONS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-56, to amend the Blind Persons Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

Hon. Mrs. Irvine, with leave, moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

DISABLED PERSONS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the committee had considered Bill C-62, to amend the Disabled Persons Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Macdonald (Cape Breton): Honourable senators, I move, with leave of the Senate, that this bill be read the third time now.

Hon. Jean-François Pouliot: Honourable senators, I am most interested in this bill, and I refer incidentally to the Commons *Hansard* of June 1, 1954, at page 5325. I shall not elaborate any more on it now, but if anybody is interested they may look at the record.

For a time I had quite a lot to do with regard to disabled persons. Their cases deserved every consideration. The former Minister of National Health and Welfare, the Honourable Paul Martin, did much for those people. The personnel of his department were very helpful. I must say the same thing with regard to the present minister, the Honourable Mr. Monteith. I do not indulge any more in patronage or in similar requests that are sent to me. I suggest to my correspondents that they get in touch with their own member of Parliament.

What I wish to refer to occurred in Ottawa, and you, my honourable colleagues, should know what happened. I must say a word of praise of the present Minister of National Health and Welfare, who took the best care of the case that I submitted to him. I say the same of his secretary.

There was a civil servant with a salary, I would say, of $4,000 to $4,500 a year, whose wife, a former civil servant, had suffered from cancer and had undergone an amputation. They were very courageous people. They were living together, and she was doing her housework in a wheelchair. Through the intervention of the minister to whom I have referred, the matter was submitted to the provincial Welfare Board, who decided to at least send her a charwoman to help her with the cleaning of her apartment. When the Welfare Branch of the provincial Government learned that that couple had a reserve of $4,000 for possible hospital treatment and burial expenses they insisted that a refund be made of what they had paid for the services of the charwoman. The unfortunate couple had to repay $55 to the Welfare Branch because they had a small reserve of money on hand.

I do not know how it works now in my province or in some of the other provinces, but in order for persons to be helped by the welfare organization of the province of Ontario they must be completely destitute. That organization does not encourage savings; it does not give assistance to badly handicapped persons who have a small reserve in the bank or elsewhere. If they have a small reserve they cannot receive any help. Is it not cruel?

I do not know if my words will be conveyed to whom they may concern. I have said a good word for the Minister of National Health and Welfare. However, I find that the behaviour of the welfare organization in Ottawa is not what it should be. The couple to whom I referred had spent $10,000 for hospital expenses, for operations. They were in need of assistance after having spent so much for medical treatment, but because they had a small amount of money in reserve they could not receive any help, either from the provincial welfare organization or from the private welfare organizations. They were promised drugs, medicines, and so on, from other organizations, but they got nothing. Is it not unjust?

I shall obtain more information about the matter, but I thought this was an opportunity to inform you of the situation, so that not only mendicants will receive help, but also many others who deserve it.

Motion agreed to and bill read third time and passed.

PORTRAITS OF PRIME MINISTERS—COMMONS COLLECTION

INQUIRY

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, before the Orders of the Day are proceeded with I wish to renew an inquiry that I put two or three years ago with regard to the famous painting of the late Prime Minister Bennett. His shadow seems to play hide and seek with the constables who are on night duty in the corridors of this building.

Our distinguished colleague the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) brought the matter before this chamber on July 12 last year. He said that he had had some correspondence with Lord Beaverbrook, who promised to send the famous painting from the University of New Brunswick to this building to complete the collection of our illustrious Prime Ministers, and that he had an acknowledgment from the Prime Minister's office.

I asked the Chief of the Protective Staff of the House of Commons, the Chief of the Protective Staff of the Senate, and the Black Rod, about the painting of Mr. Bennett, but no one knew anything about it. I went myself all along the corridors and did not see the painting. That collection should be completed, and the mystery which surrounds the missing painting should be elucidated in order that we can make a claim on the express company for the loss of that art treasure.

This matter could have been brought up by somebody else, probably, but as one who is interested in history I want to know if that painting exists, and if it was actually sent to this Parliament. We should be told if the Beaver has changed his mind, and be better informed about that portrait of a former Prime Minister of Canada.

CENSUS RETURNS

PRELIMINARY REPORTS—ANSWER TO INQUIRY

On the Orders of the Day:

Hon. Walter M. Aseltine: Honourable senators, before the Orders of the Day are called I would like to refer to the question which was asked me yesterday by the honourable senator from De la Durantaye (Hon. Mr. Pouliot) about preliminary census reports. I am happy to inform him that preliminary census reports and figures for approximately 4,500 organized municipalities—that is, cities, towns and villages—are now available. However, it will take some time to complete and compile the information for other areas. Anyone who is interested in these figures for any particular municipality may obtain them by applying to the Dominion Statistician.

Hon. Mr. Pouliot: Thank you, sir.

CANADA'S STATUS AT UNITED NATIONS

STATEMENT IN DEBATE QUESTIONED

On the Orders of the Day:

Hon. Calvert C. Pratt: Honourable senators, I should like to refer to a matter arising out of the speech yesterday by the honourable senator for Victoria (Hon. Mrs. Quart) in which she made reference to certain statements which, in her words, could degrade Canada at the United Nations.

I rose yesterday to ask if she meant that the statements were made at the United Nations, and she said that as far as she knew personally they were not, or words to that effect. However, in the *Hansard* her statement appears as follows:

> Personally, I cannot sympathize with, or understand, the philosophy of those who, even for political reasons, would make statements which could degrade Canada at the United Nations before the very eyes of the world.

I think one does not have to question what that really means. What it was intended to mean is another matter.

I notice by the *Globe and Mail* of today that it is reported to the same effect. I quote, from that paper:

> Personally, I cannot sympathize with, or understand, the philosophy of those who, even for political reasons, would degrade Canada at the United Nations before the very eyes of the world.

Now, seeing that that has been publicized, and a denial by the honourable senator appears in *Hansard*, I think it is up to her to make it clear that she did make that statement, but that she did not mean it. In that way it will be cleared up, and the press will not be carrying comments that the statement made here referred to statements made at the United Nations, which was the direct inference taken from the statement as reported.

Hon. Josie D. Quart: Honourable senators, may I refer to what I said. If yesterday I did by any chance use the words, "would make statements which could degrade Canada at the United Nations before the very eyes of the world", maybe my phrasing was ambiguous, but nowhere in that paragraph do I say that this statement was in fact made at the United Nations. I will repeat what I said:

> Personally, I cannot sympathize with, or understand, the philosophy of those who, even for political reasons, would make statements which could degrade Canada at the United Nations before the very eyes of the world.

I am not a lawyer but I have had sufficient education to believe that my statement is clear. The statements to which I had reference were not made at the United Nations, but could be repeated at the United Nations, or in the press, or in some other media of communication which could reach the United Nations and the ears of other delegates to that body.

Does that satisfy the honourable senator? I do not believe I have anything to withdraw.

Hon. Mr. Pratt: Honourable senators, I must say that statement does not satisfy me because in making this point I submit that the reading is quite clear and also that the inference is definitely there, that it was said at the United Nations. I think this matter should be publicized, and I am suggesting that the honourable senator make it clear in the press that what she said was contrary to what she wished to be understood.

Hon. Mrs. Quart: Honourable senators, although I have no retraction to make in this connection, I would be very happy to have additional publicity, because I could also ask the press to look at some statements made in the *Hansard* of the other place, page 168, second column, the middle of the fourteenth line.

Some Hon. Senators: Order, order.

Hon. Mrs. Quart: I seem to be out of order, in the view of some honourable senators, but I should like to have an opportunity to discuss this with the press.

Hon. Mr. Hugessen: I gather that what the honourable senator was really referring to was the sort of foolish statement made by the Associate Minister of National Defence, which he had to withdraw.

Hon. Mrs. Quart: No, I was not. With regard to that statement, I would say I do not think anybody on this earth is infallible, and some honourable senators in this house have admitted they have been wrong at times. Also I believe that before my speech was made the Associate Minister of National Defence had retracted his statement, and I think that should satisfy everybody. So it was not at all necessary for me to take that into consideration.

Hon. Mr. Macdonald (Brantford): Honourable senators, may I be permitted to comment that this all adds up to the fact that an explanation never explains why an explanation is necessary?

Hon. Mr. Higgins: I thought I was recognized first.

Hon. Gustave Monette: Honourable senators, may I say this, that I am not highly cultured in the English language, but as I heard the statement made by the honourable senator for Victoria yesterday she did not suggest that the statement, or any statement of the like, had been made at the United Nations. It was said that statements were made which are not approved of, and which could create some unfavourable discussion at the United Nations. That could be said of any statement made in the street, in newspapers or by any person, whether in authority or not, and which could be printed in some newspapers and thus reach the United Nations. Such a statement might reach someone who might say that it was made at the United Nations, and thereby create a false impression in that body.

Honourable senators, we have here persons who are authorities on the English language. I would like to ascertain whether the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford), or any other honourable senator would contend that the declaration made by the honourable lady senator yesterday conveys, either directly or indirectly, the firm impression that the statement referred to was made at the United Nations.

Were the interpretation of the honourable senator from St. John's West (Hon. Mr. Pratt) correct, any statement, whether made in New Brunswick or elsewhere, which might be offensive to the United Nations and imperil the co-operation of that body with our allies, could be interpreted as having been made at the United Nations, whenever an honourable senator or member of the other house spoke of such a declaration. Were we to accept this interpretation, in a similar case the individual mentioning or adopting the words of another would have to declare, "I must emphasize that I do not say this statement was made at the United Nations." It seems to me that this is going too far, and I should abide by declarations made here by honourable senators.

Hon. Mr. Higgins: Honourable senators, I think I have the floor. We have a point here. I have one question to ask. Suppose that a newspaper—

The Hon. the Speaker: Does the honourable senator from St. John's East (Hon. Mr. Higgins) wish to address himself to the question now under discussion?

Hon. Mr. Macdonald (Brantford): Honourable senators, may I be allowed to comment? I think we should hear all the advocates for the defence.

Hon. Mr. Higgins: What I was about to say was, supposing that one newspaper in Canada published a report that the delegates sent by Canada to the United Nations were poor, inefficient people, not fit to be there, would that not be attacking Canada at the bar of the United Nations? In a nutshell, is not that what was meant?

Hon. Mr. Macdonald (Brantford): That is what we would like to know.

Hon. Mr. Hollett: Honourable senators, I wish to refer to the statement made yesterday by the honourable senator from Victoria, to which the honourable senator from St. John's West takes exception. If the latter honourable senator would read that excellent speech carefully he would see that the honourable senator from Victoria quoted the Honourable Gordon Churchill thus:

> We can have all sorts of differences locally and there are plenty of things on which to differ, but, as far as world opinion and international affairs are concerned, we should show a united front.
>
> Downgrading of Canada at home could only bring damage to her reputation abroad.

Then the honourable senator from Victoria went on to say:

> Personally, I cannot sympathize with, or understand, the philosophy of those who, even for political reasons, would make statements which could degrade Canada at the United Nations before the very eyes of the world.

There is no evidence there to show that the honourable senator said these statements were made at the United Nations. She speaks of downgrading Canada at home, and suggests that that degrades Canada at the United Nations before the very eyes of the world.

Hon. Mr. Pratt: Honourable senators, all I have to say is that this statement when read by the public would not be considered as carefully by the individual reader as it would by the honourable senator, with his legal experience. What is important is the impression conveyed to the general public. The average person reading this would infer that that statement was made at the United Nations.

Hon. Mr. Higgins: Because they would not know their English.

Hon. Mr. Monette: May I comment?

Hon. Mrs. Quart: To further clarify this matter, in reply to the question of the Honourable Senator Pratt, my answer was:

> I did not say that they—

Referring to the statements.

> —were made at the United Nations ...

The Hon. the Speaker: It is quite clear.

WAR SERVICE GRANTS ACT

BILL TO AMEND—SECOND READING

Hon. George S. White moved the second reading of Bill C-36, to amend the War Service Grants Act.

He said: Honourable senators, Bill C-36, to amend the War Service Grants Act, is very brief. The sole purpose of this bill is to extend the time whereby veterans may apply for benefits under the act to October 31, 1968.

This act was originally passed in the 1944-45 session, and forms part of what is known as the Veterans Charter. The various acts which form the Veterans Charter have been amended from time to time to meet changing conditions, to increase benefits, and to correct certain injustices which were revealed when the acts were put into operation. They have been amended to include new groups, to extend the period within which applications for benefits can be made, and to change certain conditions of service.

A number of honourable senators who served on one or more of the various veterans' committees of the other place will always recall that in those committees there was a very

fine spirit of co-operation and an earnest desire on the part of all members to produce the very best type of legislation with respect to our veterans and their dependants.

Politics has never, in all the years I have been interested in veterans affairs, entered into legislation affecting our veterans, and I, for one, hope that it never will.

This act, honourable senators, provided veterans and certain of their dependants with war service gratuities and re-establishment credits, the amounts of which varied, based on the length of service and dependent upon whether the service was in this country or outside the western hemisphere. The act also covers veterans who served in Korea.

In order to give honourable senators a brief summary of what has taken place under this act, I shall mention that as of December 31, 1961 the gratuities paid the veterans of World War II amounted to $470,056,000, and the amount paid to veterans of the campaign in Korea totalled $6,695,000. For the fiscal year 1960-61 gratuities paid to veterans of World War II amounted to $10,000, and to veterans of the Korean war, $900. I am advised by the officials of the department that a large number of veterans have not yet, even at this late date, applied for their gratuities. At the present time the deadline for making such application is September 30, 1962.

So far as re-establishment credits are concerned, up to December 31, 1961 there has been paid to veterans of World War II the sum of $309,369,000, and to the veterans of the Korean war $3,704,000. At the present time 65,475 World War II veterans still have not received all of their re-establishment credits, and the balance owing to these veterans amounts to $10,264,000. There are still 2,098 veterans of the Korean war who have not received all of their re-establishment credits, and the total amount due them is $314,000.

I might state that I am further advised by the department that every effort is made to trace and locate veterans to whom there is owing re-establishment credits or gratuities. The department also attempts to trace them through the various branches of the Royal Canadian Legion.

It is interesting to note that in the nine months ended December 31, 1961 there were 12,478 World War II credits approved, for a total payment of $1,367,000. During that same period there were 834 credits approved for veterans of the Korean war for a total of $67,000.

I think it is clear from this, honourable senators, that unless the time in which application may be made for these credits is extended, a great many veterans will not have a suitable opportunity of using their credits wisely, or, indeed, to make any use of them at all.

There is one amendment here which is of a technical nature, which allows veterans who have had their re-establishment credits frozen because of applications for benefits under the Veterans Land Act, to have one year after an application has been withdrawn or their qualification cancelled in which to apply for the use of their credits. There are also two administrative amendments which relate to the payment of premiums on veterans' insurance.

I repeat, honourable senators, that the main purpose of this bill is to extend to October 31, 1968 the time in which veterans may apply for gratuities and re-establishment credits. I commend this bill to all honourable senators.

Hon. Mr. Power: May I ask the honourable sponsor of this bill (Hon. Mr. White) to repeat the number of men who have not applied for war service gratuities? The number he gave seems to be very high. Did the honourable senator say it was 65,000?

Hon. Mr. White: I cannot tell the honourable senator the number of veterans who have not applied for gratuities, but the number of world war veterans who have all of their credits, or part of their credits, still owing is 12,478, and the amount owing is $1,367,000. The number of veterans of the Korean war who have still all or part of their re-establishment credit owing is 834.

Hon. Mr. Power: I thought the honourable senator said there were 65,000 who had not applied for war service gratuities.

Hon. Mr. White: No. I think I said that the amount still owing the veterans of the Korean war is $67,000.

Hon. Mr. Croll: From where did I get the idea that there was $10 million-odd still outstanding?

Hon. Mr. Macdonald (Brantford): $10,264,000.

Hon. Mr. Croll: Yes. Did not the honourable senator say there was $10,264,000 still outstanding? Am I wrong in that?

Hon. Mr. White: The amount still owing the veterans of World War II is $10,264,000, and I would point out that there are veterans who have applied for only a part, be it large or small, of their re-establishment credits. Some have only received a few dollars. The individual amounts vary a great deal.

Hon. Mr. Hugessen: I thought the honourable senator said that the total number of veterans entitled to all or part of this credit is 65,000.

Hon. Mr. Hayden: No, 12,000.

Hon. Mr. White: I have mis-stated those figures. What I said originally was that at the present time there are 65,475 World War II veterans who have not received all or part of their credit, and the balance owing them is $10,264,000. In the last nine months ending December 31, 1961 there were 12,478 World War II credits approved for a total payment of $1,367,000. That gives honourable senators some idea of the amount still owing.

Hon. W. Ross Macdonald: Honourable senators, may I make the comment that it is not only the honourable senator from Victoria (Hon. Mrs. Quart) who is sometimes misunderstood when speaking in this chamber.

With the general purpose of this bill I am in accord, namely, the purpose of extending the time in which veterans can claim money and credits which are due them. But, what I do not understand, honourable senators, is why there should be any limit at all. The proposed new section 12 of the act reads:

> (1) All or any part of the re-establishment credit may, on or before the 31st day of October, 1968 be made available—

It may be claimed.

Honourable senators, this money does not belong to the Government. These gratuities were granted to these men and women who served overseas, or who served under certain conditions, and who fought for our country. This money is theirs; it is not ours. It does not belong to us now. When this act was originally passed there was an appropriation made by Parliament to provide for these payments to these men and women. Are we now going to say to them: "It is yours, but you cannot have it unless you apply for it before the 31st day of October, 1968"? I do not think that is the right principle. If this money belongs to them—if it is rightfully theirs—then in my opinion they should get it whenever they want it, and we should not force them to take it before a certain time.

The Hon. the Speaker: Is the limit October 31, 1968?

Hon. Mr. Macdonald (Brantford): Yes, 1968, Mr. Speaker. There are six years left in which to make a claim, but some of these men and women may feel that this money is safer with the Government. That may be hard to understand, but some veterans may feel that the money is safer with the Government and, if so, why should they not be allowed to leave it with the Government?

I do not think it is within the power of the Senate to amend this bill by striking out that clause, but the bill could be passed so that section 12 of the act would read:

> All or any part of the re-establishment credit may be made available to or for any member of the forces eligible therefor when it is shown to the satisfaction of the Minister that such credit is to be used for . . .

No date need be mentioned.

To amend this bill in that way might be beyond the powers of the Senate, but I would bring to the attention of the honourable Leader of the Government (Hon. Mr. Aseltine) the fact that this money is not the Government's money. It belongs to these veterans and they should have the right to obtain it whenever they want it.

Hon. Mr. Pearson: May I ask a question based on the explanatory notes opposite page 1 of the bill? It says that the portion of subsection (1) of section 12 being amended at present reads as follows:

> 12. (1) All or any part of the re-establishment credit may, within a period of fifteen years from the 30th day of September, 1947, or the date of his discharge, which ever is the later, be made available to or for the member—

Does the legislation not limit to a period of 15 years the time in which a member of the forces can apply for re-establishment credit, and this amendment is now extending that time for a further period?

Hon. Mr. Croll: Yes.

Hon. Mr. Aseltine: That is right.

Hon. Mr. Pearson: It was originally limited to a 15-year period.

Hon. Mr. Aseltine: That is right.

Hon. Mr. Macdonald (Brantford): That still does not make it right.

Hon. Mr. White: What the honourable senator from Lumsden (Hon. Mr. Pearson) has said is quite correct. The 15-year date set in section 12 (1) will expire in September of 1962, and I understand the reason for extending the expiry date for another six years is that it is the hope and expectation of the department that within that time it will be able to trace all members of the forces who are eligible for re-establishment credit and pay the benefits to them.

I am sure no honourable senator would think for one moment that any government, no matter who it might be, would ever disqualify a veteran from receiving any benefit to which he was entitled. If there are still

credits on hand upon the expiration of this six-year period I for one am perfectly satisfied that the government of the day will bring in an amendment providing a further extension of this time limit. My honourable friend the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) will recall that various extensions were made to veterans' legislation in the Veterans Affairs Committee of the other house. For instance, in some cases the marriage date was extended from time to time.

Hon. Mr. Power: And it should not have been.

Hon. Mr. Macdonald (Brantford): It does not make it right.

Hon. Mr. White: I am sure that if the necessity arises the expiry date will be further extended.

Hon. David A. Croll: Honourable senators, I am satisfied no government will ever do anything to abolish these credits or in any way infringe them. However, extending the expiry date to 1968 seems to be a futility, for the benefits will be available as long as there are veterans alive to claim them.

But what troubles me, if I am correct in my figures, is that 15 years after the setting up of the re-establishment credit and gratuities we are told there are 65,000 lost souls in this country, people whom we cannot locate. I find this difficult to believe. We have this money to give to veterans. We have their regimental numbers, and at least their former addresses and those of their relatives. We know where they come from, but where have they disappeared? We can assume that some have left the country for the United States and elsewhere, and others have died, but how could we possibly have lost that number of people in that length of time?

The honourable senator from Hastings-Frontenac (Hon. Mr. White) says that we will locate them in the next six years. That may be, but why have we not found them up to now? I wonder if they know this money is coming to them. If somehow they knew the money was coming to them they would be making application for it because it is there for the asking. I make no criticism of the Department of Veterans Affairs, nor do I suggest that this bill go to committee. I am prepared to accept what the honourable senator from Hastings-Frontenac has said, but something has to be done about this for the benefit of veterans who have a considerable amount of money still coming to them.

Hon. Mr. Connolly (Ottawa West): Could I ask a couple of questions of the honourable senator from Hastings-Frontenac (Hon. Mr. White) so that he may answer later if he does not have the information readily available. Could he tell the house whether these gratuities are assets which would form part of the estate of a veteran who might die without drawing them and, secondly, whether or not the executors of his estate, or his heirs, would be able to claim the gratuities in the event he should die without drawing such gratuities?

Hon. Mr. White: I will be glad to get the information for the honourable senator.

Hon. Mr. Baird: Would a veteran living outside this country be entitled to receive these gratuities at any time?

Hon. Mr. White: As far as I know, he would be so entitled.

I should like to point out to the honourable senator from Toronto-Spadina (Hon. Mr. Croll), in reference to something being done about tracing these veterans, that in the nine months ending December 1961, there were 12,478 credits dealt with, approved and paid out. This shows that the department is making some effort to catch up. I am further advised by officials of the department that while the figure of 65,475 appears to be large, many of these veterans have received some part of their re-establishment credit but, for reasons best known to themselves, they have not up to the present time wished to make further application for the balance.

Hon. Mr. Power: Perhaps my memory is not as good as it should be but I am under the impression that with respect to war service gratuities there can be no question but that those gratuities belong to the men, and I would believe that they would belong to their estates.

Hon. Mr. Macdonald (Brantford): Hear, hear!

Hon. Mr. Power: But with respect to re-establishment credits, that is another story altogether. This was a project providing that if an ex-soldier required certain assistance to set himself up in a small business, to establish a home, to purchase furniture or, in other cases, to take advantage of provisions under the Veterans Land Act, he was entitled to a credit from the department. But I would not think that under those circumstances his estate would inherit the right to such credit, because it would only belong to the ex-soldier provided he fulfilled the conditions. Perhaps that may account for the fact there is such a large number who have not claimed their credits under this legislation, although they may have claimed their war service gratuities. Some people may not have needed the credits at all, not that they were of a wealthy class,

but there were some, certainly, who would not need to go to the Government for assistance to purchase furniture for their household, and so on. Perhaps that may account for the very large number who will never ask to be granted these credits.

Hon. Mr. Macdonald (Brantford): Honourable senators, recently I had occasion to write to the Department of Veterans Affairs with respect to a member of the armed forces who had died and who had not received his re-establishment credit. I agree with the honourable senator from Gulf (Hon. Mr. Power) that an estate, as a matter of right, can claim gratuities, but my recollection is that under certain circumstances the heirs of the deceased can claim re-establishment credits. The case which I had occasion to write to the department about involved an unmarried man whose parents, sisters or brothers apparently could not claim the credit. As I say, I am relying on memory but I think if he had been married and had left a wife and/or children there is provision whereby the re-establishment credits would be allowed them.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall the bill be read the third time?

Hon. Mr. Hugessen: Next sitting.

Hon. Mr. White: With leave of the Senate, next sitting.

The Hon. the Speaker: It is moved by Hon. Mr. White, seconded by Hon. Mr. Turgeon—

Hon. Mr. Macdonald (Brantford): Before the motion is put may I ask the honourable Leader of the Government (Hon. Mr. Aseltine) whether there is likely to be royal assent today?

Hon. Mr. Aseltine: I am hoping that royal assent will take place between now and tomorrow afternoon at 5.45—probably tomorrow.

Hon. Mr. Macdonald (Brantford): Well, it occurred to me, honourable senators, that if royal assent is not given today, probably the honourable senator who introduced the bill (Hon. Mr. White) could obtain the information which has been requested by several honourable senators, and the bill could be given third reading tomorrow. I do not want to hold up the bill.

Hon. Mr. Aseltine: That would be agreeable. I am quite satisfied that royal assent will not be given today.

Motion agreed to.

VETERANS INSURANCE ACT

BILL TO AMEND—SECOND READING

Hon. George S. White moved the second reading of Bill C-37, to amend the Veterans Insurance Act.

He said: Honourable senators, this bill, like the preceding one, is simply for the purpose of extending from September 30, 1962 to October 31, 1968, the time whereby veterans may apply for contracts of insurance. This act, which also forms part of the Veterans Charter, was passed in the session of 1945. Its main purpose was to provide life insurance for veterans who had a very low medical standard. Over the years it has proved of great assistance to veterans of World War II who, on account of war wounds, illness or other disability from war service, were unable to obtain insurance from an ordinary life insurance company The act also covers the veterans from Korea.

The total amount of insurance that a veteran can obtain under this act is $10,000, and I am advised that premiums charged compare very favourably with those of standard life insurance companies. There is no cost to the federal treasury, except administration costs. On death, the proceeds of the policy up to $2,000 are payable to the designated beneficiaries, and any balance owing under the policy over and above $2,000 is paid over a period of years under an annuity.

This act has been extended at various times, and in view of the fairly large number of applications now being received, which run at about 125 a month, the Government has decided that it would be beneficial to extend the benefit of this act to 1968.

Honourable senators may be interested in knowing the number of policies in force, and so on. At December 31, 1961 there were in force 30,848 policies for a total of $96,876,349. Up to that date there had been 3,045 death claims, and there had been paid $8,523,567.

It is rather interesting to note the method by which a veteran pays the premiums: 36.2 per cent of the veterans have arranged for payment of their premiums from re-establishment credits—that is why there are some re-establishment credits on hand—34.7 per cent have arranged for payment from their disability pension, and 26.4 pay the premium in cash.

This extension will provide an opportunity for veterans who have recently assumed family responsibilities and obligations to secure insurance protection, whose circumstances probably do not enable them to apply before the expiry date in September 1962. As I stated before, honourable senators, the

sole purpose of this bill is to extend the date for veterans to make application for insurance to October 1968.

Motion agreed to and bill read second time.

Hon. Mr. White moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an Address in reply thereto.

Hon. John G. Higgins: Honourable senators, at the outset I am going to avail myself of this opportunity to congratulate my revered friend, the Honourable the Leader of the Government in the Senate (Hon. Mr. Aseltine), on the high honour that has been conferred on him, particularly because he deserved it. What must be heartening to him is the unanimity of approval shown by this house. There is not the slightest doubt that everyone here was delighted when the news was received of his appointment to the Privy Council.

Let me express the wish that the good Lord will give him *ad multos annos* length of days to enjoy the honour. And I trust when his days are over, and he has shuffled off this mortal coil, he will be brought within the pearly gates and will be led by Saint Peter, the fisherman, as a guide, to the Elysian fields, where he will have eternal opportunity of seeing lakes and babbling brooks full of trout and salmon. And while I shall presume there will be no fishing allowed, yet he will be able to return at times to regale his non-fishing friends of the big whoppers he saw.

I must congratulate the mover (Hon. Mr. Méthot) and the seconder (Hon. Mr. Hollett) on their speeches on the motion on the address in reply to the Speech from the Throne. Senator Méthot is well known to us, and from our experience of him we know he can always give a first-class speech.

Senator Hollett is a newcomer, and though born in a fishing settlement about 120 miles from St. John's, he has been residing in that city for some years. He was a Rhodes scholar. He majored in mathematics at Mount Allison University and took English at Oxford. He was a Leader of the Opposition in the Newfoundland Legislature for some time. I think I am correct in saying that his speech impressed all of us.

I do not like to speak of a gentleman when he is not present, but I am going to do so, because he will read what I say in *Hansard* anyway, and if he has any objection to it he can object when he does come back. On Monday last the honourable senator from St. John's West (Hon. Mr. Pratt) paid Senator Hollett and myself a dubious compliment. He said:

> I need hardly comment, of course, that I refer to the scholastic ability of their speeches. Across-the-floor arguments on present day public issues are, of course, another matter.

What did he mean to say? To paraphrase the words of Thomas Moore:

> They are but as the wind
> passing heedlessly over
> And all of their arguments
> nothing but words.

I see Senator Pratt has just returned to the chamber, and I say to him, as one Newfoundlander to another—and we are very charitable to one another—we shall accept what he said as words of endearment.

The speech of the honourable senator from Churchill (Hon. Mr. Crerar) was worth while hearing. It was amazing to see that tall form, weathered by many storms of debate, raise itself so athletically and pour forth such a fluent and unfaltering flow of words without a note. According to his own estimate he has passed, not only the scriptural period of three score and ten, but the four score mark. And there he was talking political philosophy as easily as he did in the old days when he was one of the leaders in the other place.

It was equally amazing to watch the honourable senator from Vancouver South (Hon. Mr. Farris), with his big, broad frame and wonderful silver mane, and to hear the virile tongue uttering a speech for two and a half hours with hardly a pause and without a sign of weariness. Verily it may be said that senators, like wine, improve with age.

When I hear irresponsible criticism of the Senate I am reminded of what someone said:

> I divide the world into three classes. The few who make things happen; the many who watch things happen and the majority who have no idea what is happening.

I will say that things do happen here in the Senate, but there are not too many people interested enough to watch them happen, and I have not the slightest doubt that the vast majority of the people have no

idea what is happening here, and perhaps because they have no idea that is why they criticize.

I am reminded of the little flurry we had last Monday in the passing of a bill. It started with words and it ended with metaphorical snowballs and stones. I am glad that the passing of the other bills was enshrouded with peace and neutrality.

Now, I have an antipathy of passing between stones on one side and snowballs on the other, whether metaphorical or real, for the real stones hurt physically but the metaphorical stones hit you mentally, and the last stage is worse than the first.

Honourable senators, I would suggest that when anyone is given a bill to sponsor he should prepare himself to answer every question that is put to him in connection with that bill. After all, the Senate is supposed to know before it refers a bill to committee what it is all about, and it should know. I am aware that sometimes when full information is not received the expert who is advising the sponsor is the one who is usually responsible, because he is likely to say there is no use worrying about that matter; all that will come out when the bill goes to committee.

I remember an occasion on which I had a bill to produce. The expert saw me in my room and he explained the bill and the reason for it. I then asked him a couple of questions and he said there was no need to worry about this because that information will be given when the bill is before the committee. I told him that that was not my procedure. First of all, I said, the bill may not go to committee because the Senate did not get the information needed, and I want to be in a position to give the Senate the information required. Secondly, I want to be able to answer questions that the senators ask me and not appear stupid. Thirdly, as a lawyer, these would be the first questions I would ask if I were cross-examining anyone on the bill; and, fourthly, I am the one to decide what information I need. I got the information, and when the bill came before the Senate the first two questions I was asked were the ones that I wanted him to answer.

I am now going to touch on a subject which was shortly dealt with yesterday by our lady senator from Victoria (Hon. Mrs. Quart) in a most interesting, effective and provocative speech, and a very well-delivered one too. The subject is of great interest to me. Senator Quart was present at the Law of the Sea Conference in Geneva when the question of the twelve-mile limit came before that body and was discussed.

A strong controversy has arisen over what is known as the twelve-mile limit. The subject has often been discussed in Parliament, in the press, and in many public bodies and institutions. The term means the assertion by any country to the ownership of waters around its coast within twelve miles of its coastline.

It has been a live issue for some time among the Atlantic provinces and for many years British Columbia has felt its necessity. A private member's bill to set this limit at twelve miles was allowed to die in the other place.

The principle that such a limit against commercial fishing was reasonable was almost accepted last year, as Senator Quart told us, when it came up before the Law of the Sea Conference in Geneva, but was defeated by one-half vote.

The reason given by its proponents is the necessity for conservation. A country should be allowed to have control to protect its fisheries within a reasonable distance of the coastline, and it is contended that twelve miles is such a reasonable distance. This would give to natives and inhabitants of the country whose shores are touched by the sea the right to fish within these waters. It would prevent foreign ships coming in vast numbers, or any numbers, into the waters and thus depleting the fishery, or fishing in such waters without caring as to the size or number of fish caught or tearing up the breeding grounds by their draggers. For centuries, large numbers of fishing vessels from France, Italy, Spain and other European countries have been coming to the Grand Banks of Newfoundland, a vast plateau from 90 to 120 miles off the east coast of Newfoundland, and to the Green and other banks off the south coast and somewhat the same distance from the south coast of Newfoundland.

In recent years Russia has joined in fishing on the Grand Banks, and their ships are far more numerous than those from other countries. No ships, except United States ships, ever fished near Newfoundland until recently. In the past two or three years Russian vessels have been doing so just outside the three-mile limit, and there is clear evidence that they have come at times within the three-mile limit. The Russians fish with draggers, which use nets dragged between two vessels, scraping the bottom of the sea and tearing up the spawning beds.

Canada sets a limit for its own ships off the Atlantic coast, preventing certain kinds of fishing within the twelve-mile limit. But that was nugatory. Foreign ships can fish within that limit with impunity. This only confers a disability on Canadian fishermen by their own Government, but not on others.

If we are going to have the twelve-mile limit, inshore fishing must be limited for all. Of course Canada has been reluctant to try to impose this twelve-mile limit on its own or, as the term has been used, unilaterally. The United States has no such limit, and many of their ships have fished within twelve miles of the Newfoundland coast for many years. Canada of course does not want a rift with her neighbour, the United States. I understand that country is one that refused to vote for the twelve-mile limit, and it was their action that lost the motion for the twelve-mile limit at Geneva.

I may say that the limit has been successfully enforced in at least one country. For instance, it is not so long ago that Iceland set the limit to prevent English fishing vessels from coming to within twelve miles of its coast. So strong did Iceland assert the right, arresting English ships, flaunting English armed vessels, that, finally, English ships ceased to fish there and apparently England gave up the struggle quietly and let Iceland carry out its own regulations regarding the twelve-mile limit.

The matter has become serious, particularly for Nova Scotia and Newfoundland. Something must be done to protect the fisheries and the fishermen around the coast. Two choices are open: To allow unlimited use of the fisheries without regard to conservation; or, unilateral action to decide a twelve-mile limit and preserve the fishing. The latter alternative will have to be adopted some time or other. Of course, if it is chosen, some strong steps must be taken to see that the decree is enforced. How will this be done?

The Speaker in some House of Commons once said, "It would be unreasonable not to expect an occasional intrusion of politics in this Assembly", and I must have my little slight flutter of party politics now. It will not be a very strong effort, I may say, but I know that to say even the slightest word in favour of the present Government is rank heresy in the minds of some of the honourable senators opposite. To enforce the decree of the twelve-mile limit a strong patrol of the coast is necessary, and at last we learn that a Canadian coastguard service is being formed by the present Government.

The well-known newspaper writer, Mr. Arthur Blakely, wrote:

> To some, the most surprising thing about Transport Minister Balcer's announcement of the formation of the Canadian Coastguard Service was that it had been so long in coming. Others, however, were surprised that it had been made at all.
>
> For some decades, M.P.'s and other representatives of Canada's coastal areas have been urging just such a move.
>
> The U.S. Coastguard has a long and distinguished history. In the United Kingdom, the coastguard tradition goes back even further into history. The same is true of France.
>
> In the circumstances, it is scarcely surprising that Canadians living in the Maritime provinces and British Columbia, in particular, should have reached the firm conclusion long ago that the sooner Canada had just such a service the better it would be for their fishermen and others who went to sea.
>
> The Transport Department shared the view that a Canadian service of this kind was not only desirable but necessary. But there was a strong feeling at the upper levels that while this was so, the old "coastguard" name and tradition should be put resolutely to one side in favour of a designation that could be described as distinctively Canadian, deriving little or nothing from the British, French or American traditions.

We have all read at various times about the great coastguard system in Britain, with its wonderful tradition. In the olden days when we were very young, did not our youthful minds absorb those wonderfully thrilling stories of deeds of bravery and heroic rescues by those who went out in stormy seas to save some survivors from a vessel wrecked on the rocks? And English tradition still survives. The United States has built up a great coastguard system, one which has performed meritorious service, particularly during the war.

It is useless to make regulations regarding the twelve-mile limit or any matter concerning the sea unless they can be enforced. We have the police to look after our cities, towns, villages and roads, for the protection of the country and its citizens. Now it is time to provide protection around the coastline. We must have mobile police in the form of a shipping patrol or coastguard system, and it is good to learn that the present government intends to provide such service.

Talking of this subject reminds us that Canada may be divided into two parts—not as Gaul was divided, into three parts—those provinces which touch on the sea, and those which do not. Although it may be claimed that a part of the ocean touches Quebec, and Quebec has a good sea fishery, yet the provinces on the east coast which are most intimately connected with the sea are Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Before Newfoundland entered Confederation in 1949 they were regarded as "The Maritime provinces and Newfoundland." Up to that time Newfoundland could not be referred to as a Maritime province, because it was an independent country and not a part of Canada.

For generations Nova Scotia, New Brunswick and Prince Edward Island have been called the Maritime provinces or, sometimes, "The Maritimes". After Newfoundland entered Confederation in 1949 attempts were made at different times to include it within that name—attempts not by Newfoundlanders but others who had spent a few years in Newfoundland. Then it was suggested that Newfoundland should be joined in the circle by having a federation called "The Atlantic Provinces". But let the Maritimes hold their name, for they have a long and interesting history under that designation. Let us be allowed to retain our name because we have a longer history, one that goes back to the time before Canada was discovered and populated.

The campaign to include Newfoundland in the category of the Maritime provinces was conducted with the intention of showing that the four provinces on the Atlantic seaboard have similar problems. After nine years it seems to us Newfoundlanders that we have by no means too much in common.

An editorial in one of the newspapers published in St. John's has this to say:

> To be fair, however, it must be said that not too much of that propaganda emanated from Newfoundland. But what did originate here was a firm belief among some groups that we should refuse to accept that theory because of practical considerations.
>
> The most practical was the thought that Newfoundland was a special case. They believed that the Terms of Union to the contrary notwithstanding, she ought not to jeopardize any peculiar aspects of her historical, geographical or economic position by allowing herself to lose her distinctive colouring and fade into the general background of Atlantic grey.

That our problems are different from those of the other provinces on the Atlantic seaboard is recognized by the second report of the MacPherson Royal Commission on Transportation, which implied that Newfoundland is a special case. We have problems facing us because we entered Confederation late—as I said, only in 1949—while the other provinces on the Atlantic seaboard all entered at the start of Confederation, or a short while afterwards.

I am not going to enter into the details of these problems, nor into a discussion that the Terms of Confederation offered us were inadequate. I said enough concerning that when I spoke on the Newfoundland bill in 1957, and the Honourable Senator Pratt explained our situation well in his enlightening speech delivered last Monday.

Do not think I am objecting to any alliance with the Maritime provinces. Far from it. The Maritimes are great provinces, and Newfoundland may have many shortcomings. Newfoundland may not be as up to date as they are. I am not as smug as the gentleman who said:

> The trouble with some people is that they do not want to admit their faults. I would admit mine—if I had any.

We have our shortcomings. We have been a struggling race. Throughout the years we have had to surmount almost insurmountable obstacles. We were not allowed to put up permanent buildings until 1814. We have had a speculative industry, the cod fishery, which for generations was our main industry and concerned the majority of the people. When the population of Newfoundland was 250,000, or a little more, there were over 30,000 people engaged in the cod fishery. Today, with a population of over 450,000, we have from 12,000 to 14,000 fishermen.

We did not have a railway until the 1890's. Our first paper mill was established in 1910, and the second, which is now the biggest in the world, was established in 1920. Our revenue was never large enough to meet the building of highways, local roads, public buildings or bridges. It was not until the beginning of the Second World War that we started to enjoy prosperity. The American bases were set up, and in doing so they spent an enormous amount of money in that province. The price of paper went soaring, and that of fish became regulated, and it was not the speculative business it had been in the past. We have a reasonable mileage of roads now. Unfortunately we are cut off from the mainland by the Strait of Cabot, which is 107 miles wide, and thus our freight rates are higher than those of other provinces.

The Maritimes started to develop after Confederation. In fact, they started in 1763, after the treaty of Paris, when land was given free to the discharged soldiers and sailors, and farms, towns and industries sprang up. Since Confederation good roads have been established throughout the provinces. We came into Confederation in 1949, and immediately took on a share of the costs of building up all the provinces of Canada in the past.

More than once I have paid tribute to Halifax, one of the prettiest cities in Canada, with

its old buildings and landmarks, most of which were built more than 150 years ago. It speaks well for the pride of the citizens of Halifax that these have been preserved.

Newfoundland was independent for 450 years. We have had a long history, and mostly a sad one. We were run by the adventurers of the west country of England who regarded the land as a fishing station to be used only for fishing purposes. As a result, no permanent buildings, except those used for the fisheries, were allowed, as I have already mentioned, to be erected until the year 1814.

In the struggle between France and England for the possession of Canada we were, at different periods, outside the region of the struggle; but now and then the country was invaded by the French and many settlers were killed and settlements destroyed.

Throughout the Seven Years' War the colony seems to have been peaceful, until the end of 1761. After the defeat of the French on the Plains of Abraham, France was anxious for peace. To secure favourable terms, and especially a share in the fishery, it was desirable for the French to capture some English possessions. The French intelligence service informed the authorities of the defenceless plight of St. John's in Newfoundland, with its neglected military condition and weakened garrison. While England was spending millions of dollars on colonizing Nova Scotia and defending it, St. John's was left with less than a single company of soldiers, 63 in all, and all forts were in a bad state of repair.

One historic event took place which should be written up in the newspapers of today. In September 1762 the last battle between the French and English was fought in my native city of St. John's.

Two hundred years ago, in June, 1762, the French captured St. John's, and the battle for its repossession was the last battle between France and England for the possession of what was known as Canada. I am sure this is surprising news to most Canadians, for they think, as those of the past thought, that New France or French Canada came to an end with the battle of the Plains of Abraham in 1759 when Wolfe and Montcalm were killed. It was some years after this battle before the British could feel that the conquest was *un fait accompli.*

The Seven Years' War started in 1756 and was ended by the Treaty of Paris in 1763, four years after the battle of the Plains of Abraham. It must not be forgotten that Montreal remained in the hands of French troops until 1760, a year after the battle of the Plains of Abraham.

Early in the year 1762 Spain declared war on England and, with another nation against her, England had to get all the army she could and keep the navy moving to protect various places not only against the French but also the Spaniards. With the intelligence which had been given that Newfoundland was practically unprotected, relying only upon the British Navy for protection, France saw its chance, and decided to capture the country.

All other attacks on Newfoundland started on this side of the world, either from Louisburg, Quebec, or Placentia where the French had a stronghold for many years. This time the expedition started in Europe. On July 8, 1762 a small fleet left Brest with a military force of about 1,000 men and, going through a dense fog, successfully eluded the British Navy, and landed its troops at Bay Bulls, a settlement 19 miles from St. John's, which was burnt. The army marched overland to St. John's, meeting with some resistance from the inhabitants of St. John's near the town, but the British garrison there surrendered on June 27. The French entrenched themselves strongly on Signal Hill, a high hill overlooking St. John's, and started to repair the fort which was then in disrepair.

When the commander in charge of the British in North America heard of the invasion he got together an army from the garrisons of Louisbourg and Halifax, the command of which he gave to his brother, Colonel William Amherst. This army of 1,500 men was brought to Newfoundland in seven transports escorted by four men-of-war, the flagship of which was commanded by the famous navigator and cartographer, Captain James Cook.

This force landed at Torbay, a fishing village seven miles from St. John's, and marched to Quidi Vidi, one mile from St. John's, which is near where the United States built the large Pepperell air force base during the Second World War. This was on September 15, 1762. Two days later the fort was stormed, and it surrendered on the 18th.

It is strange, honourable senators, that there is in Canadian history hardly a mention of this important event. Anyone who reads the little note about it would never realize it marked an epoch in the history of Canada.

It is heartening to know, honourable senators, that a health scheme is being promoted throughout Canada. Athletics should be encouraged, but people should be taught to play the game and not watch it. To have 30,000 people watch 30 men play a game of hockey is no proof of a healthy race. It may be an index of a shouting one. It is better to show young and old that it is more worthwhile to exercise either by running if you are young, or by walking if you are old—by golf if you

are old, or by football and hockey if you are young—rather than sitting down to see two heavyweights commit mayhem and, particularly, when what is seen is an uneven fight where one is battered almost to a pulp, as happened in the recent Patterson-McNeeley fight. That fight was really a reminder of the bloody circuses of ancient Rome at the beginning of the Christian era.

However, I trust that if some of the older people—perhaps some of us here—feel the urge to exercise in their own homes, obtaining instructions from the radio in the early hours of the morning, they will receive more encouragement than the husband who, while taking his early morning exercise, heard his wife yawningly say: "Why can't you be unhealthy and lazy like other husbands?"

Let me digress for a moment, honourable senators. We have been told that the Government has only spent money, and has made no attempt to save it. Now, is that true? Last year—or was it the year before—there was a debate here about the Arrow airplane. In the other place there was notice given, or it was intimated, that the Government was going to drop that project. We were given a glowing account of the wonders of that airplane, and what harm would come to Canada if it was dropped. We were told of its absolute necessity. The next day the Government announced that it had no further interest in it. Then we were told of the terrible wrong done by dropping it. There would be 13,000 more men thrown out of work, although the speaker had stressed that, in his opinion, 700,000 were already unemployed. Although it was estimated that the cost of the Arrow would amount to a billion dollars and, as it would be out of date within a short while, a billion dollars would be wasted if work on its production continued, and that a billion dollars should be spent to keep the 13,000 workers employed. Why not start on other works to employ the 700,000, which may take many billions?

Perhaps it was not as controversial a matter as I seem to imply from the way I am talking, for immediately afterwards the late lamented Senator Euler rose and told the house that the Government had acted properly, and that he had written to the Prime Minister complimenting him on the way he had acted, congratulating him for his discretion and saying that, in his opinion, he was right.

We have been told, in effect, honourable senators, that the Conservative party has done nothing for the welfare of Canada except to spend money. The Ottawa *Journal* of January 31 last had this to say:

> To score a point off Mr. Pearson and his strange collection of advisers is less important than, for example, the survey of economic conditions given by Justice Minister Fulton the other day. His statement that the gross national product this year probably will be up 7½ per cent from 1961, after smaller gains in the last four years, is more heartening to Canadians generally than a debating triumph in the Commons.
>
> If the Conservatives get into the bog with the Liberals, their achievements in four years of administration will be blurred in the exchange of abuse.
>
> It is no empty boast of the Government party that in most areas under federal jurisdiction they have done more in four years than the Liberals did in 22.

Of course, it will be said that the Ottawa *Journal* is a supporter of the present Government and is consequently biased. Surely, you do not think for one mad moment that the Liberal party is over and above bias, and that it could not possibly show any bias when attacking the Conservative régime.

It is very easy to attack. It is difficult to stifle a desire to answer. Anyone can use harsh, bitter criticism. It requires strength of character to refuse to answer in language suitable for that meridian. There is necessarily two sides to the science of politics. It is natural for each side to find fault with the other's policies. That is necessary procedure. Let me say only this of the Liberal party. It has been using poor criticism or, as one paper referred to it, "bumbling criticism", and not concerning itself with useful policies. It has been preaching pessimism.

One charge made against the Prime Minister by a continuous attacker in the other place is that the Prime Minister never carried out his pledges. Yet, *Maclean's* magazine, as quoted by Senator Irvine, wrote that out of 62 pledges made by the Prime Minister during the 1957-58 campaign, 50 have already been kept or are in the process of being kept.

Let us look at the overall economic and financial position of Canada in 1961 and compare it with the economic and financial position of Canada in 1956. This document which I have in hand was prepared by the Dominion Bureau of Statistics. It shows the following headings: Indicator; 1956; 1961; Increase 1961 over 1956; and Percentage Increase 1961 over 1956. Total employment in 1956 was 5,703,000, and in 1961, 6,155,000, which is an increase in 1961 over 1956 of 452,000. In 1956 the gross national product was $30.6 billion and in 1961 it was $37.4 billion, an increase in 1961 over 1956 of $6.8 billion.

Hon. Mr. Wall: Honourable senators, may I ask the honourable senator whether those figures are in current dollars or constant dollars?

Hon. Mr. Higgins: As we say in law, *res ipsa laquitur*. This speaks for itself. I shall place it on the record, and the honourable senator can look at it and learn for himself.

Exports totalled $4.8 billion in 1956 and $5.7 billion in 1961, an increase in 1961 over 1956 of $900 million, or 19 per cent. Total personal income in 1956 was $21.9 billion, and in 1961 it was $28.7 billion, an increase of $6.8 billion. Labour income in 1956 was $14.9 billion and in 1961 it was $19.5 billion, an increase of $4.6 billion. Corporation profits in 1956 were $2.91 billion and in 1961 they were $3.55 billion, an increase in 1961 over 1956 of $640 million. The industrial production index in 1956 was 155 and in 1961 it was 179, an increase in 1961 over 1956 of 24. I hope nobody asks me what that means.

Hon. Mr. Pratt: Is the honourable senator quoting billions or millions?

Hon. Mr. Higgins: Is the honourable senator referring to the Industrial Production Index? I shall attempt to tell him what it is. It represents the level of production for all manufacturing, mining, power and other industries, taking a certain formula as an index. That is as far as I will go. In 1956 the total personal savings were $1.3 billion, and in 1961 they were $1.7 billion, an increase of $400 million.

With the permission of honourable senators I place this table on *Hansard*.

Indicator	1956	1961	Increase 1961 over 1956	Percentage Increase 1961 over 1956
				%
Total Employment	5,703,000	6,155,000	452,000	+8
	$	$	$	
Gross National Product	30.6 billion	37.4 billion	6.8 billion	+22
Exports	4.8 billion	5.7 billion	900 million	+19
Imports	5.5 billion	5.7 billion	200 million	+ 3.5
Total Personal Income	21.9 billion	28.7 billion	6.8 billion	+30
Labour Income	14.9 billion	19.5 billion	4.6 billion	+30
Corporation Profits	2.91 billion	3.55 billion	640 million	+22
Industrial Production Index	155	179	24	+15
Consumer Spending	18.8 billion	24.6 billion	5.8 billion	+30
Total Personal Savings	1.3 billion	1.7 billion	400 million	+30

NOTE—1. Figures for "Employment" are for the months of November, 1956 and 1961.
2. Figures for "Gross National Product", "Total Personal Income", "Labour Income", "Corporation Profits", "Consumer Spending", and "Total Personal Savings" for the year 1961 are seasonally adjusted annual rates for the third quarter.
3. Figures for "Exports" and "Imports" for 1961 are for the twelve-month period, ending October 31st.
4. Except for "Employment", figures shown for 1956 are for the full calendar year.

February 1, 1962.

Honourable senators, I wish to speak for a short time about forests because I think it is a most important subject. I have spoken on it before in the house but I will speak about it now in a different way.

Trees are necessary for the well-being of a nation for other purposes than providing the material for houses, ships, fences, paper and other modern necessities. Countries today are faced with terrific problems caused by the abuse of nature. Great floods are ravaging lands and erosion of the soil is turning what were once rich woodlands or grassy fields into arid deserts.

The cause of most of this flood damage is inevitable when the balance of land and water factors is disturbed by mistreatment of the watersheds through the large scale removal of forests and other soil-binding vegetation. No one expects that forests or forest soil can alone control floods. The Mississippi River was in major flood stage when first seen by white men in 1541, long before there was any cutting of timber or cultivation of soil; but there is the clearest proof that floods have increased in number and intensity since those early days. There is an accumulation of evidence that goes to show that good forests and range management will largely decrease the menace of floods and the costly waste of erosion.

Trees form the natural banks of rivers; they bind the soil. Remove them and the river flows along unrestricted, continually wearing the banks away. The mistreatment of watersheds inevitably causes most of the floods. Through the wholesale tearing up of trees and grasses, the clay, no longer bound together by nature, turns to dust.

Where the soil is not washed away, there remains nothing but a desert, not alone useless to man and beast but a menace to all forms of life ever moving to fertile parts and, like a destructive army on the march, destroying everything it touches. The most striking instance is the west range in the United States which lies west of an irregular line through the plains states from the Dakotas right down to Texas.

This has been the source of many dust storms which have blackened the skies of the great plains for many years and has affected even eastern towns like Boston, which in 1929 was visited by a heavy dust storm which weather experts say came from the Middle West. What of the terrible dust storms, particularly in the 1920's in the Canadian Middle West caused by the cutting of all shubbery and brush and the desertion of farms?

The greatest menace to our forests is fire and the worst criminal in this destruction is the firebug. Fire leaves in its wake almost absolute destruction, laying waste vast stretches of timber and turning a scene of beauty into an abomination of desolation. And the sad part is that most of the fires in this country are caused by carelessness, downright inexcusable criminal negligence. It should be everybody's business to see that the careless camper and the indifferent smoker, is treated in the way he should be—as a menace, against whom everybody's hand and voice should be raised and who should be condemned at the bar of public opinion as not fit for the privileges of citizenship. The loss caused by such agency is incalculable. The timber industry, the trapping industry all suffer. The hunting grounds are destroyed, rivers lose their sources of supply, and very often private homes are wiped out and villages and towns threatened with destruction. It must be spread around to all and sundry that the very lifeblood of the country is being sapped by this evil. If devastating fires are allowed to continue, the ruin of the country is assured, from which there will be no comeback, for financial troubles may be cured but the loss of a forest is irretrievable.

There is at present grave necessity for the enforcement of strong and effective laws, which are nothing more than the means a state must employ so that a few shall not be allowed to waste and destroy what is meant for the benefit of the whole country.

We should be on our guard, for there have been some terrible forest fires. One of the worst fires in North America occurred in New Brunswick in 1825, and devastated four million acres. Only a few years ago a terrible forest fire in Maine destroyed forests and burned villages and summer resorts. This past year we had some devastating fires in Newfoundland where millions of acres of timberland were burned and millions of cords of wood destroyed. Homes were burned down, domestic animals perished, and wildlife was wiped out by the thousands.

If we maintain the forests we have a place for recreation for young and old. We have the wood for the paper mills. We have the rivers for the driving of logs and the creation of electric power. We have the home for wild animals of all kinds. And we find health there, for nature effects perfect sanitation with the trees and the leaves, clear air and clean water.

Now that I have brought you through the forest and we have heard the brooks babbling by and listened to the sweet songs of birds, as the sunset has come at the end of a placid day, let us gather around the campfire and tell old stories and drink old wine, if we have any, and sing old songs, but let us under no circumstances sing The Whiffenpoof Song.

Hon. Mr. Vaillancourt: As Newfoundlanders are expert fishermen, I should like to ask the honourable senator from St. John's East (Hon. Mr. Higgins) why we are building bigger and bigger fishing vessels to go farther out to sea when apparently the catch is better near our own shores and fishing fleets from other countries are anxious to fish off our shores. Could the honourable senator explain that situation?

Hon. Mr. Higgins: It is sometimes difficult to change a man's way of life. Most fishermen in Newfoundland are inshore fishermen whose homes are on the shoreline. They go out in the evening and lay their traps, and they go out in the morning and haul the fish in. The fishermen are in their homes most of the time. In the earlier years there were bankers in certain centres that used to follow the fish. Sometimes the fish would be caught in one place and not in another. One year there might be wonderful fishing off the southern shore and poor fishing off the northern shore, and the next year it might be just the opposite. These bankers would follow the fish for seven or eight days, catch a load and bring them back home, but most of the time they would be used for inshore fishing.

It is a teriffic proposition to ask the fishermen to go off the Grand Banks. To begin with, they would have to have expensive boats. An inshore fisherman has a small boat with a motor that costs him only a few hundred dollars. He pays $1,500 or $2,000 for his traps, but these last a long time and can be repaired time and again until they are almost like a new net. It is like the fellow who said, "How old is your cricket bat?" The reply was, "I have had it for 10 years but I have had two new handles and three new blades." As I say, it is asking a lot of a fisherman to go out to the Grand Banks. What would it cost to build a dragger for the Grand Banks? Probably from $150,000 to $300,000. Those are big boats for a fisherman to have; impossible for him to buy. If the fishermen have to go to the Grand Banks, they have to go in some dragger or vessel owned by somebody else. They don't like that; they want to have their own boats and live in their own homes.

Hon. Mr. Vaillancourt: But is the catch not better in the deep sea than near the shore?

Hon. Mr. Higgins: I would not say that. They get bigger catches on the Banks, and they only get their share of it. I am a small-town man and a small-town lawyer. I want to practice in St. John's, and not in a larger place. If you gave me an offer to practice in, say, Toronto or Vancouver, I would refuse it. The inshore fishermen like their work and find more happiness in it. They can go back to their beds at night, and they prefer that to staying on the Grank Banks for weeks and sleeping in bunks, and so on. Inshore fishing is their business. If they go out in draggers they can make more money, but they would not be as happy. Happiness is not taken into account at all nowadays. If people wanted to be happy they would not be rushing around for money, and dying of thrombosis at 60 years of age, instead of living to be 80 years old, as they should.

Hon. Mr. Pratt: May I refer to the question which was asked? The honourable gentleman asked about the ships on the Grand Banks coming in on the inland waters. The reason is that there are prolific areas for fishing at the Grand Banks. There is an inflow of fish from the deep sea to the shores for two or three or four weeks at certain times of the year, particularly during the summer, and these large deep-sea boats on the Grand Banks will follow this flow of fish into the shore sometimes. It is not their practice to fish inshore constantly, but they just follow the flow of fish.

On motion of Hon. Mr. Cameron, debate adjourned.

PRIVATE BILL

EVANGELICAL MENNONITE CONFERENCE—SECOND READING

Hon. Arthur L. Beaubien moved the second reading of Bill S-5, to incorporate Evangelical Mennonite Mission Conference.

He said: Honourable senators, this bill is in the usual form of bills of this kind which have been passed by this house for many years. The object of the corporation, as the bill states, is:

> To promote, maintain, superintend and carry on, in accordance with the Christian faith, doctrines, constitution, acts and rulings of the Corporation, any or all of the work of that body.

This body is asking the right to purchase, sell and hold property, if the Corporation deems it advisable.

Paragraph 3 of the bill specifies that the head office of the Corporation shall be in the town of Altona, in the province of Manitoba.

The Corporation is seeking all the powers that are being granted from time to time to organizations of this kind.

Section 9, subsection (1), of the bill states:

> The corporation may purchase, take, have, hold, receive, possess, retain and enjoy property, real and personal, corporeal and incorporeal, and any or every estate or interest whatsoever, given, granted, devised or bequeathed to it, or appropriated, purchased or acquired by it in any manner or way whatsoever, to, for or in favour of the uses and purposes of the corporation, or to, for or in favour of any religious, educational, eleemosynary or other institution established or intended to be established or assisted by, under the management of, or in connection with the uses or purposes of the corporation.

In other words, the corporation is seeking all those powers which other corporations of a similar nature seek in similar bills which come before this house for its consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Beaubien (Provencher), bill referred to the Standing Committee on Miscellaneous Private Bills.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-1, for the relief of Madeleine Francoise Hankowski.

Bill SD-2, for the relief of Bruce Reid Campbell.

Bill SD-3, for the relief of William Metcalfe Watt.

Bill SD-4, for the relief of Giovanni Pallotta.

Bill SD-5, for the relief of Mildred Dawson Meakins.

Bill SD-6, for the relief of Marion Ruth Catherine Slattery.

Bill SD-7, for the relief of Sonja Bagry.

Bill SD-8, for the relief of Lena Quelle.

Bill SD-9, for the relief of Franz Zeitlhofer.

Bill SD-10, for the relief of John Harman.

Bill SD-11, for the relief of Esther Wertheimer.

Bill SD-12, for the relief of Rachela Zimber.

Bill SD-13, for the relief of Alethea Sarah Ivy Fowler.

Bill SD-14, for the relief of Rosemary Beatrice Clare.

Bill SD-15, for the relief of Isadore Titleman.

Bill SD-16, for the relief of Agnes Irene Seaman.

Bill SD-17, for the relief of Margaret Ada Lewis.

Bill SD-18, for the relief of Beverley Trachtenberg, otherwise known as Beverley Tratt.

Bill SD-19, for the relief of Demetre Almyriotis.

Bill SD-20, for the relief of Cynthia Elsie Scott.

Bill SD-21, for the relief of June Blickstead.

Bill SD-22, for the relief of Stella Leblanc.

Bill SD-23, for the relief of Gerda-Sascha Rozwadowski.

Bill SD-24, for the relief of Josephine Isabella Geiger.

Bill SD-25, for the relief of Margarete Gerda Ruhnau.

Bill SD-26, for the relief of Margaret Catherine Smith.

Bill SD-27, for the relief of Marie Gertrude Helene Flamme.

Bill SD-28, for the relief of Kate Gillman.

Bill SD-29, for the relief of Barbara Ann Wallace.

Bill SD-30, for the relief of Lise Hogue.

Bill SD-31, for the relief of Marie Claire Rolande Dubois.

Bill SD-32, for the relief of Sheila Liebling.

Bill SD-33, for the relief of Elizabeth Shaw Fisher Reid.

Bill SD-34, for the relief of Marie Jeanne Beaulieau.

Bill SD-35, for the relief of Maurice LeBel.

Bill SD-36, for the relief of Gilles Graveline.

Motion agreed to and bills read second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 15, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

15th February, 1962

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 15th February, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be, Sir,

Your obedient servant,

Esmond Butler,

Secretary to the Governor General.

The Honourable

The Speaker of the Senate,

Ottawa

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Revolved—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Aitken, Messrs. Belzile, Bourbonnais, Bourque, Brunsden, Campeau, Eudes, Fairfield, Fisher, Fleming (Okanagan-Revelstoke), Forbes, Fréchette, Grenier, Hanbidge, Kindt, Knowles, LaRue, Lennard, Lessard, Macquarrie, Martel, Matthews, McFarlane, McGee, McIlraith, Muir (Lisgar), Nixon, Pigeon, Pratt, Racine, Ratelle, Regier, Richard (Ottawa East), Richard (Saint-Maurice-Laflèche), Rouleau, Simpson, Skoreyko, Small, Smith (Lincoln), Smith (Simcoe North), Smith (Winnipeg North) Southam, Stinson and Tremblay a Committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this House as members of a Joint Committee of both houses on the Library.

Ordered, that the message do lie on the Table.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Resolved—That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a Joint Committee of both houses on the subject of the Printing of Parliament, and the following members: Messrs. Allard, Asselin, Barrington, Belzile, Bissonnette, Boivin, Bourdages, Bourque, Brunsden, Cadieu, Campeau, Caron, Clancy, Cooper, Creaghan, Deschambault, Deschatelets, Dubois, Dupuis, Fane, Fisher, Fortin, Gillet, Godin, Grafftey, Gundlock, Henderson, Howard, Korchinsky, Lehaye, Lessard, Letourneau, Matheson, MacInnis, MacLellan, McDonald (Hamilton South), McLellan, McWilliam, Meunier, Michaud, Morissette, O'Leary, Phillips, Rapp, Richard (Kamouraska), Robinson, Rouleau, Skoreyko, Slogan, Smallwood, Southam, Taylor, Webb and Winkler will act as Members on the part of this house on the said Joint Committee on the Printing of Parliament.

Ordered, that the message do lie on the Table.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Resolved—That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Bourque, Campbell (Lambton-Kent), Carter, Chatterton, Deschatelets, Doucett, Godin, Hales, Horner (The Battlefords), Lafrenière, Latour, Legere, Létourneau, Martin (Timmins), McGregor, McQuillan, Muir (Lisgar), Pratt, Richard (Ottawa East), Tardif, Taylor, Villeneuve, Weichel and Wratten a Committee to assist His Honour the Speaker in the direction of the Parliamentary Restaurant so far as the interests of the House of Commons are concerned,

and to act on behalf of this house as members of a Joint Committee of both houses on the Restaurant.

Ordered, that the message do lie on the Table.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Report of the Department of Transport for the fiscal year ended March 31, 1961, pursuant to section 34 of the Department of Transport Act, chapter 79, R.S.C. 1952. (English and French texts).

PRIVATE BILL

COCHIN PIPE LINES LTD.—FIRST READING

Hon. John A. Buchanan presented Bill S-6, to incorporate Cochin Pipe Lines Ltd.

Bill read first time.

Hon. Mr. Buchanan moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it stand adjourned until Tuesday next, February 20, 1962, at 8 o'clock in the evening.

Motion agreed to.

UKRAINIAN CATHOLICS

SEVENTIETH ANNIVERSARY OF BIRTH OF DR. JOSEPH SLIPYJ

On the Orders of the Day:

Hon. William M. Wall: Honourable senators, with the consent of this honourable house, I should like to bring to the attention of my colleagues the fact that Sunday, February 18, will be a very solemn day for the Ukrainian Catholic bishops, clergy and faithful in the free world.

On that day, with divine liturgies, and with prayers, and with special commemorative gatherings, all Ukrainian Catholics will be marking the seventieth anniversary of the birth of a relatively unknown and unsung but nonetheless a great and heroic martyr for truth, for religious freedom, and for justice with national freedom, the Metropoliton-Confessor, the Primate of the Ukrainian Catholic Church in what we know as Western Ukraine and surrounding territories, Archbishop-Metropolitan Doctor Joseph Slipyj.

By marking the seventieth birthday of this modern, religious and national martyr, Ukrainian Catholics wish to honour a great religious leader and to draw attention of the world to the fact that 17 years ago, on April 11, 1945, the Soviet régime began its systematic, overt and active persecution and destruction of the Ukrainian Catholic Church, with the imprisonment of the Metropolitan-Archbishop Joseph Slipyj, and his Auxiliary Bishop Nicetas Budka, a Canadian citizen and the first Ukrainian Catholic Bishop in Canada; Bishop George Khomyshyn and his Auxiliary Bishop, Ivan Latyshevsky of Stanislaviv; and Bishop Nicholas Charnetsky, Apostolic Visitator of Volynia.

The Polish Communist police arrested the Bishop of Peremyshl, Dr. Josaphat Kotsylovsky and his Auxiliary Bishop Gregory Lakota. Both were handed over to the Soviet Union. In East Germany, the Apostolic Visitator, Father Peter Verhun was imprisoned. These were the first of the martyred bishops. At the same time hundreds of priests and faithful were also arrested.

A secret trial was held in Kiev to deal with the arrested bishops, and all were spirited away to Siberian or other concentration camps and prisons to serve out lengthy sentences of forced labour.

From March 8 to 10, 1946, the Soviet Government staged a fake, or pseudo-synod at Lviw, the capital of the Western Ukraine. No Ukrainian Catholic bishops participated, and only a handful of terrorized clergy participated under duress and the scrutiny of the dreaded secret police. The outcome? This pseudo-synod proclaimed what was essentially a tyranically enforced and farcical so-called reunion of the Ukrainian Catholic Church with the Russian Orthodox Church under the rule of the Patriarchate of Moscow. Henceforth, the existence of the Ukrainian Catholic Church was to be illegal, and the Ukrainian Catholic parishes were forced to merge with the Russian Orthodox Church, with new Orthodox clergy running the parishes, under the jurisdiction and control of newly-appointed Orthodox bishops who received their instructions from the Patriarch at Moscow.

Thus, honourable senators, at one foul and fell swoop, the Ukrainian Catholics were dispossessed of a treasured spiritual heritage and of cherished possessions which they had built with meagre means—for they were always a captive people—and with tremendous sacrifices, over many centuries. The extent of these staggering losses may be better understood when I remind you that some five million Ukrainian Catholics in Western and Carpatho-Ukraine, in Slovakia, and in neighbouring lands, lost 10 bishops, 2,950

diocesan priests, 520 priests in religious orders, 1,090 nuns, 3,040 parishes, 4,440 churches and chapels, 195 religious houses, eight theological academies and seminaries, all their schools, 38 Catholic publications and 35 Catholic printing establishments.

While this classic example of modern communist persecution and perfidy was going on, the West remained mute, as if uninformed or uninterested. Why? And why was the West equally uninformed or disinterested, and equally mute during the infamous 1930's—and Mr. Khrushchev has divulged a lot of information of what was going on at that time—when the Ukrainian Autocephalic Orthodox Church, which then had a hierarchy of 80 bishops under Metropolitan Lypkiwsky, was also brutally and similarly liquidated in Eastern Ukraine?

And why was there no protest, no condemnation of this unjust and brutal suppression of the Ukrainian Catholic Church as it unfolded after 1945-46?

After the death of Bishop Romzha as a result of a mysterious automobile accident, the Catholic Church of the Eastern Rite in Carpatho-Ukraine was similarly persecuted; and on August 28, 1949—that is only 13 years ago—a communist ukase forbade Ukrainian Catholics to be members of the Catholic Church of the Eastern Rite.

The year 1950 saw the liquidation of the Ukrainian Catholic Church in Eastern Czechoslovakia, with the arrest and sentencing to life imprisonment of Bishop Paul Gojdych; from information available to us he died in prison on July 19, 1960. His Auxiliary Bishop, Basil Hopko, was sent to a forced labour camp where, according to our information, he remains till the present day.

And during all this time the West remained mute, as if tongue-tied. Why?

Thus, honourable senators, was the Ukrainian Catholic Church suppressed and formally outlawed by the communist régimes. Membership in this church is forbidden—forbidden in direct contravention of their constitutions —and those of us who know something about the role played by this church in the age-old struggle of the Ukrainian people for individual freedom and for national independence know why the totalitarian communist masters felt it necessary to weave a tissue of trumped-up charges of supposed treasonable activities to destroy this institution, an institution which had made of Western and Carpatho-Ukraine the Piedmont for the renaissance of modern Ukrainian nationalism, a nationalism which is democratically oriented, striving for national self-determination and for the individual fulfilment of free men in a free and democratic society.

What a contrast, honourable senators, to the wonderful growth of this same Ukrainian Catholic Church in the free democratic world.

There are in the free democratic world roughly two million Ukrainians. Most of them are Catholics, and it warms my heart to be able to tell you that in Europe—in Italy and in Yugoslavia—we have two archbishops; we have a bishop in France, one in Britain, one in Australia, one in Argentina, and one in Brazil. In the United States we have a Metropolitan archbishop and two bishops; in Canada we have a Metropolitan archbishop and three bishops.

This is the very same church, with the very same teachings, the very same institutional organizations, that has been so brutally and forcibly liquidated behind the Iron Curtain.

Honourable senators, please understand why I feel obliged to bring to your attention the discussions and studies which have been going on for several years at the United Nations. I call the attention of the Leader of the Government (Hon. Mr. Aseltine) to this particular aspect of my remarks. These discussions now appear to be coming close to a climax or decision-making point: I refer to the work of the Human Rights Commission's "Sub-Commission on Prevention of Discrimination and Protection of Minorities."

I hold in my hand the 1960 report of this sub-commission which is entitled, "The Study of Discrimination in the Matter of Religious Rights and Practices."

This particular study deals with the problems of discrimination in the matter of religious rights and practices, and without going into an explanation of the previous studies made by this sub-commission and of the discussions held at the various sessions —those are fascinatingly interesting, and some are almost fanciful—may I point out that progress has been made and a set of Basic Rules has been recommended to protect and to extend basic religious rights and freedoms. Nothing is said there about returning to the people who have been deprived of these religious freedoms and treasures the heritage that is rightfully theirs.

These Basic Rules were incorporated into what is officially called the "Draft Principles on Religious Freedom and Non-Discrimination," which draft principles have already been circulated among United Nations member governments for study and comment— I have in my file the comments of the Canadian Government *vis-a-vis* these draft principles—and which draft principles—this, I think, is going to be important—apparently are to be discussed by the Human Rights Commission this year, in fact next month, from March 19 to April 13.

I further understand that these draft principles may be recommended to the Third Committee, and then to the Assembly of the United Nations as a declaration for the safeguarding and extension of religious rights and freedoms, although one of the major powers which has been playing a very solicitous and active role in the deliberations of this sub-commission, in the drafting of the Bacis Rules and draft principles, is pressing that these draft principles form the basis for a more binding legal convention. They want to sew it right up. I leave honourable senators to guess who this major power is, and I shall desist from voicing the perfectly valid protestations and questions which come crowding to my lips.

There is a Ukrainian proverb which has some bearing on this whole problem, and it runs something like this:

"Wonderful fellow—he locked the gates after the horses were stolen."

Honourable senators, I was tempted to read some of these Basic Rules so that you might better judge how binding and far-reaching they are, but I shall desist from doing so and merely tell you that their intent is very honourable and their meaning is very comprehensive.

When these draft principles do reach the decisional point at the Human Rights Commission, at the Third (ECOSOC) Committee, and at the Assembly, I am sure you will understand why Ukrainian Catholics will follow with great interest the stand that the Western democracies will take. I repeat: we shall be following with great interest the stand that the Western democracies will take. We shall be wondering what the diplomatic representatives—yea, and the Canadian too—will say as they jointly and severally address themselves to this problem of religious liberties, rights, and privileges. Time will tell, but I and other responsible Ukrainian Catholic leaders will be watching and waiting, and expecting something more than apathetic muteness—and this at a time when the so-called western imperialists are being stridently and loudly challenged at the United Nations to give up all their remaining colonies and to give to enslaved and underprivileged peoples complete national and individual rights and freedoms. What a strange spectacle!

By reminding honourable senators of these events that have taken place and that are to transpire, I wish to pay tribute to these heroic bishops of the suffering Ukrainian Catholic church, to their clergy and to their faithful, so many of whom become martyrs for their faith.

And what of Archbishop-Metropolitan Slipyj, who, two days from now, on Saturday, will be celebrating his seventieth birthday in prison, where he has been for the past 17 years? As far as we know, only two of these imprisoned Ukrainian Catholic bishops are still living: one in Czechoslovakia, in prison, and Metropolitan Slipyj, also in prison, we believe in a place called Rozayiwka, either in Kazakhstan or near Moscow, for there are two places in the Soviet Union called Rozayiwka. His last "seven-year sentence" came in May, 1959, after he broke "the law"—I use the words in quotation marks—and wrote a pastoral letter to his faithful.

Lest the world forget and fail to act as its conscience should dictate!

Thank you, honourable senators.

WAR SERVICE GRANTS ACT

BILL TO AMEND—THIRD READING

Hon. George S. White moved the third reading of Bill C-36, to amend the War Service Grants Act.

He said: Honourable senators, there are just a few remarks I would like to make before this bill receives third reading.

I wish to make clear to honourable senators that there is a great difference between gratuities and re-establishment credits. Gratuities are paid in cash; re-establishment credits are available to the veteran if it is shown to the satisfaction of the minister that the credit is to be used in one of the fourteen ways set out in section 12(1) of the act.

Yesterday the honourable senator from Ottawa West (Hon. Mr. Connolly) asked me whether or not the gratuity or re-establishment credit would become part of the veteran's estate.

Dealing first with the question of gratuity, I would refer honourable senators to section 5 of the act which provides how payment of the amount owing may be made when a member of the forces dies on service or after discharge and before he has been paid his gratuity. Paragraphs (a), (b) and (c) set out the persons to whom payment may be made, as follows:

> (a) to a person who was in receipt of or who, in the opinion of the Minister, was eligible for dependants' allowance on behalf of the deceased member immediately prior to the member's death or discharge;
>
> (b) to a person who, in the opinion of the Minister, would have been eligible for dependants' allowance on behalf of the deceased member immediately prior

to the member's death or discharge had such person not been a member of the forces; or

(c) to a person who, in the opinion of the Minister or such authority as he may designate, was dependent in whole or in part upon a deceased member and to whom pay was assigned by such member immediately prior to the member's death or discharge.

Provision is also made for the payment of the gratuity to one or more persons. Subsection (4) of section 5 provides:

> Where no person qualifies to receive payment of the gratuity or any unpaid balance thereof under this section in respect of a deceased member, the gratuity or the unpaid balance thereof shall form part of and be comprised in the deceased member's "service estate" as that expression is defined in subsection (2) of section 40 of the National Defence Act.

Subsection (5) provides that:

> Where a person who was qualified to receive payment of a gratuity or any part thereof under this section dies before payment thereof or before payment thereof in full the gratuity or that part thereof payable to him or any unpaid balance thereof shall not be paid to the estate of such person but shall be paid to such other person as may be entitled thereto in accordance with the provisions of this Act and if no other person is so entitled, shall form part of and be comprised in the deceased member's service estate in accordance with the provisions of subsection (4).

If there are no such persons, the gratuity forms part of the estate of the deceased and passes in accordance with the terms of his will, or, in the event of an intestacy, it comes under the provisions of the law in the province of his domicile.

The handling of the re-establishment credit is a little different. In the case of a member who dies without having received his credit, or has still some part of the credit owing to him, the act provides that in the discretion of the minister the credit may be made available to the widow, to dependent children, and so on. If it is made available to the widow it must be used for one of the fourteen purposes set out in section 12(1) of the act.

I hope that that answers the questions of the honourable senator from Ottawa West (Hon. Mr. Connolly).

Hon. Mr. Connolly (Ottawa West): Thank you.

Motion agreed to and bill read third time and passed.

VETERANS INSURANCE ACT

BILL TO AMEND—THIRD READING

Hon. George S. White moved the third reading of Bill C-37, to amend the Veterans Insurance Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-1, for the relief of Madeleine Francoise Hankowski.

Bill SD-2, for the relief of Bruce Reid Campbell.

Bill SD-3, for the relief of William Metcalfe Watt.

Bill SD-4, for the relief of Giovanni Pallotta.

Bill SD-5, for the relief of Mildred Dawson Meakins.

Bill SD-6, for the relief of Marion Ruth Catherine Slattery.

Bill SD-7, for the relief of Sonja Bagry.

Bill SD-8, for the relief of Lena Quelle.

Bill SD-9, for the relief of Franz Zeitlhofer.

Bill SD-10, for the relief of John Harman.

Bill SD-11, for the relief of Esther Wertheimer.

Bill SD-12, for the relief of Rachela Zimber.

Bill SD-13, for the relief of Alethea Sarah Ivy Fowler.

Bill SD-14, for the relief of Rosemary Beatrice Clare.

Bill SD-15, for the relief of Isadore Titleman.

Bill SD-16, for the relief of Agnes Irene Seaman.

Bill SD-17, for the relief of Margaret Ada Lewis.

Bill SD-18, for the relief of Beverley Trachtenberg, otherwise known as Beverley Tratt.

Bill SD-19, for the relief of Demetre Almyriotis.

Bill SD-20, for the relief of Cynthia Elsie Scott.

Bill SD-21, for the relief of June Blickstead.

Bill SD-22, for the relief of Stella Leblanc.

Bill SD-23, for the relief of Gerda-Sascha Rozwadowski.

Bill SD-24, for the relief of Josephine Isabella Geiger.

Bill SD-25, for the relief of Margarete Gerda Ruhnau.

Bill SD-26, for the relief of Margaret Catherine Smith.

Bill SD-27, for the relief of Marie Gertrude Helene Flamme.

Bill SD-28, for the relief of Kate Gillman.

Bill SD-29, for the relief of Barbara Ann Wallace.

Bill SD-30, for the relief of Lise Hogue.

Bill SD-31, for the relief of Marie Claire Rolande Dubois.

Bill SD-32, for the relief of Sheila Liebling.

Bill SD-33, for the relief of Elizabeth Shaw Fisher Reid.

Bill SD-34, for the relief of Marie Jeanne Beaulieu.

Bill SD-35, for the relief of Maurice LeBel.

Bill SD-36, for the relief of Gilles Graveline.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. Donald Cameron: Honourable senators, by way of introduction I should like to say a few words of appreciation with respect to the honour recently bestowed upon the Leader of the Government in this house (Hon. Mr. Aseltine) in his appointment to the Privy Council. I join with the honourable senator from Vancouver South (Hon. Mr. Farris) in the remarks he made in his excellent speech of a few days ago when he compared the working of the Senate here with that of the House of Lords. Having observed the operation of the Senate at a time when the Leader of the Government was a member of the Cabinet, and also having observed the operation of the Senate in circumstances when the Leader of the Government was not a member of the Cabinet, I can say that the former arrangement was much the more proper. I hope it will not be too long before what might be construed as a slight upon the Senate is corrected.

I was not present a few days ago when tributes were paid to our late friend, Senator Barbour, and I would like to add my word of regret on his passing. Senator Barbour typified all that is best in the quiet, dignified and substantial community life of our country.

May I at this time, honourable senators, express also my felicitations to the new senator from Newfoundland (Hon. Mr. Hollett) and say that I am sure we shall enjoy having him here, and that we shall look forward to the contributions he is able to make to discussions in this house.

I turn now to the charming and attractive senator from Victoria (Hon. Mrs. Quart), who made a most excellent speech two days ago. I listened with a great deal of interest to her eulogy of the Prime Minister. I am sure that modest gentleman must have been blushing but, nevertheless, gratified to know that he has two charming ladies to carry the torch for him in the red chamber.

Whether or not we agree with everything the senator for Victoria said is not the important point, but I am sure that she would not wish to deny to those who may not agree with everything the Prime Minister or his colleagues do, the right to occasionally and mildly criticize those actions. I would hope that she would never, and I am sure she would not, intend to deny anyone that right; but in view of the misinterpretation by the press of her remarks in some respects, they could also be misinterpreted in this respect, that she wished to muzzle criticism of the Government on the part of those who may disagree. I should not like the honourable senator to be done that injustice.

At this time, too, I would like to support the bill brought in by my honourable colleague from Toronto-Spadina (Hon. Mr. Croll) on the disclosure of information in respect of interest charges. I listened with interest and respect to the comments that have been made and, for the life of me, I cannot understand why any responsible and reputable businessman should be unwilling, or at least reluctant, to declare openly the cost of the service he provides to the consumer. Call it interest, a service charge, or what you like, I think it only reasonable and proper that these charges should be made known, for I am sure that the vast majority of people do not for one minute realize when they go to their neighbourhood store and buy something on a time-payment plan of 12, 15, 18 or 24 months, that it will cost them 18, 24, or up to 30 per cent for that service. Such charges seem to be out of reason, and I for one intend to support the bill when the opportunity comes.

I should like at this time to support the remarks made by the honourable senator from Kennebec (Hon. Mr. Vaillancourt) some

days ago when in speaking of the work of the Land Use Committee, he said he felt that this committee—and similar special committees of the Senate—should as part of its responsibilities make the occasional on-the-spot investigation of the subject under study. I feel this is most important. I have seen enough of the operations of Senate committees to realize that while on each committee there are men and women who are thoroughly qualified and knowledgeable about the subject under discussion, there are others who have not had the background of experience nor the opportunity of examining the problem at first hand, but who would be able to bring much better judgment to the particular problem if given the opportunity of examining it on the spot. I hope that it will not be long until we leave no doubt as to special committees of the Senate having authority to make on-the-spot investigations.

I want to say something about a matter which has been exercising the minds of certain politicians, and more particularly the press, for some considerable time. I have read with keen interest various remarks about Senate reform. These remarks and references have been made with varying degrees of heat, depending on the speaker and how concerned he was about the matter. There are rumours that the Prime Minister, in order to complete his roster of pre-election promises, may do something about reforming this august institution.

What I have to say in this matter will not be of the nature that you might expect on Senate reform, for the reason that I think reform of this institution is something which cannot and should not be done in a political climate or in a spur-of-the-moment attempt at expediency. I think the Senate is too important to the life and the Government of this country to be treated in any cavalier fashion, but it may not be inappropriate 95 years after Confederation to take a look at the functions and responsibilities of the Senate, for circumstances are vastly different today from what they were then. We happen to be living at one of those turning points, or growing points, in history when tremendous changes are taking place at an accelerated pace. But, as I said a moment ago, this matter affecting the Government and the lives of the people is too important to be dealt with in any haphazard or careless fashion, and I am sure that will not be the case.

I should like to observe, too, that reform of the Senate has been a favourite topic of many politicians for a long time. Not long ago I listened to my friend, the Honourable T. C. Douglas, on a television program when he said with a grin that if he were elected to power he would abolish the Senate, and, as an afterthought, he added, if he could find a way of doing it.

I do not think we need worry about that, and I do not think Mr. Douglas would perform any differently than his distinguished predecessors. The much-maligned Senate has been a convenient whipping boy for politicians ever since the later years of Sir John A. Macdonald, and the reason no prime minister has done anything about Senate reform, when in office and faced with the responsibility of government, is that each has found the Senate to be extremely useful to him for a variety of reasons, which I do not intend to develop at this time.

First of all, the Senate is the one guarantee that the rights of minorities will be protected, and so long as Canada is a land of religious and ethnic minorities no prime minister is going to risk alienating these groups. Judging by the way the present Prime Minister is cuddling up to some of these groups, he is likely to be rather cautious about what he does in this respect, just as his predecessors have been.

Time and again since Confederation the Senate has given that sober second look to legislation, which is its right and responsibility, and the recent row over the Coyne dismissal and the amendment to the "class or kind" tariff legislation of June, 1961, made many more friends for the Senate than it lost, regardless of what political views we may hold. However, the Senate has made notable contributions in its day-to-day work through such outstanding committees as Banking and Commerce—one of the finest committees that sits anywhere in this country, and under one of the ablest chairmen—Transport and Communications, Natural Resources, Miscellaneous Private Bills, and particularly through such special committees as those set up in recent years to study inflation, land use and manpower. These committees have improved legislation and conducted studies which have been of inestimable value to Canada.

Many irresponsible people speak disparagingly of the Senate without knowing whereof they speak. Saying this, however, does not mean there is no room for any reform in the Senate, as there is in any other human institution.

The question of whether or not there should be an age limit for senators is one upon which there is a difference of opinion. Some people suggest that if we approve an age limit for judges we might do the same for senators. I would suggest, as I said a moment ago, that this matter is too important to be a political football and it should be handled with extreme care. It might even

be that the Senate itself would make a study of this kind. Care must be taken to make sure that the expectations of and commitments to members who are presently in the Senate are carried out in full.

The kind of reform and change I would like to see in the Senate is one which would recognize that there are in this chamber many highly qualified and able men and women who are trained in the law, in banking, in science and in public affairs. It is my conviction that these men and women could do much of the work that is now done by a multiplicity of royal commissions. More of this later.

Another change that has been contemplated or suggested from time to time is one with which I find some sympathy. Politics and politicians being what they are, it would be too much to expect that the Senate would ever become a completely non-partisan body.

As a member of a university faculty, and for that reason somewhat restricted in political activities, I rather enjoy the political discussions in this chamber. Perhaps I am in the wrong place. Nevertheless, I think changes might be made to make the Senate more representative than it is. For example, the ends of politics could be adequately served if 80 of the 102 seats were filled much as they are now by representatives of the two major political parties, with the possible modification that one-third of the nominations be made by provincial governments. In some cases this would not change the political colouration of the nominees. In other cases, such as in the provinces of Alberta, British Columbia and Saskatchewan—those maverick western provinces—opportunity would be provided for the appointment of people with other political views. More important, however, in my judgment is that the remaining 22 seats should be filled through collaboration by the federal and provincial Governments on a strictly non-political basis, drawing on men and women who have distinguished themselves in the arts, the professions, and in public affairs apart from politics.

Let there be no misunderstanding here. I do not disparage politics or politicians. The country would be much the poorer were it not for the public spirited people who from time to time offer themselves as targets for the use and abuse of many unthinking people by taking an active part in the political life of our country.

There are many more suggestions that could be made, but I would like especially to develop the one with reference to the role of Senate committees in place of royal commissions. Since the present Government took office, 14 royal commissions have been established. These have all been under the leadership of distinguished and public-spirited Canadians, and no reflection is intended on any of them when I say that the work of many of these commissions could have been discharged equally well, or better, by referral to a special committee of the Senate. Such a committee could bring together a panel of experts to do the necessary research and background work, and the senators on that committee could themselves function as royal commissioners. They could do this at a considerable saving to the public treasury, for they would perform this function as part of their regular duties without additional salary. Provision should be made for such travel and holding of hearings as is necessary.

As an illustration of just how valuable the work of a Senate committee can be, I have only to refer to the work of such special committees as the Land Use Committee of 1956 to 1962, the Finance Committee of 1959 which studied inflation, and particularly the Manpower and Employment Committee of 1960 and 1961. There have been many similar instances in the past, but these are recent committees that have served Canada well, and brought credit to the Senate and to the Parliament of Canada.

One kind of Senate reform that I would like to see is an extension of the use of special committees of the Senate. Such committees could bring to their work the wisdom and experience of men and women trained in law, medicine, finance, education and administration. Many of these persons are today, in their private capacities, administering some of Canada's largest businesses in banking, finance, industry and communications. Unfortunately, a few intemperate and irresponsible journalists who make snide remarks about the Senate being a home for superannuated antediluvians, and who seek to create an inaccurate and bumbling image of the Senate, must be guilty either of gross ignorance or malicious mischief, because such writers, if they took the trouble to inquire, must know that many of the senators are very active in some of the country's most important enterprises and in community affairs. If they do not know this and they seek to create an impression or an image at variance with the truth, then they reflect neither credit on their papers nor on themselves.

I suggested a moment ago that I felt the Senate could increase its value and its service to Canada if each year, or as required, it set up one or more special committees to deal with major problems affecting the national life. I would like to see set up at the earliest

opportune time a special committee on taxation. This is a study long overdue in Canada and one which a Senate committee could do very well.

A second special committee would be one having to do with the development of a national culture in Canada. The very fact that we are at a stage when Canadian nationalism represents a growing force in shaping our attitudes both to ourselves and to other countries would seem to be a good time to examine whether or not there are things that can be done to develop a greater measure of Canadian unity, and to make sure that the cohesive forces in our national life are strengthened and the divisive ones denigrated. But, more of that later.

To return to the idea of a Senate committee on taxation, I should like to spend a little time to explain why it is necessary and timely to consider such a development. I will read from the *Tax Memo* of the Canadian Tax Foundation, for January, 1962, which says in part:

> Red ink continued to dominate provincial Estimates in the fiscal year 1961-62. On the basis of inter-provincially comparable figures, deficits totalling $348 million are due for nine out of ten provinces this year. Preliminary figures for the previous year indicate that the provinces outspent revenues by $314 million with only one, Prince Edward Island, ending up in the black. These facts emerge from a recent compilation by the Dominion Bureau of Statistics of provincial Estimates for 1961-62 and preliminary figures for 1960-61. Because the Bureau combines current and capital expenditures and rearranges some of the figures given by the provincial treasurers in their budgets to obtain inter-provincial comparability, the DBS analysis does not always present the same picture as the treasurers. Those in Prince Edward Island, Nova Scotia, New Brunswick and Manitoba predicted surpluses and the Saskatchewan treasurer announced a deficit, but in the DBS analysis only for Saskatchewan is a surplus forecast for 1961-62 and it will be nominal.
>
> The DBS study shows that the provinces expect to take in nearly $2,749 million and to spend almost $3,097 million in 1961-62. Compared with the preliminary figures for the previous year, revenues will be up by $195 million and expenditures by $229 million, about 8% in each case. The excess of expenditures over revenue will be $34 million greater than in the previous year and will represent close to 13% of revenue.

The article goes on to say:

> Over the past five years, revenues of provincial governments have increased by about 54%, or by $959 million. Expenditures have climbed by 75%, or by $1,326 million. Among sources of revenue, taxes are now relatively more important and privileges, licences and permits and liquor profits relatively less important than in 1956-57. On the expenditure side, outlays for health and education now bulk larger in the total than in 1956-57, while expenditures for transportation and natural resources have declined relatively.
>
> Payments to local authorities in 1961-62 will approximate $785 million, about 25% of all provincial outlays.
>
> Direct debt of the provinces at March 31, 1960 totalled $3,323 million, a 35% increase over March 31, 1955. Indirect debt rose by 104% in the same period to $3,081 million.

Similarly the leading editorial in yesterday morning's Montreal *Gazette* refers to a warning sounded by Mr. George W. Bourke, President of the Sun Life Assurance Company, and may help to explain the psychology of Government spending. Mark you, honourable senators, I think a great deal of our expenditure is justified. Certainly a great deal of our expenditure on welfare services is justified. Perhaps those services should be extended in some cases, but I feel that they should not be extended without taking some precautions to make sure that abuses are removed, and I am sure that today there are already too many abuses creeping into all forms of welfare legislation.

The editorial reads:

> One of the dangers of our time is the delusion that a government is somehow a means of generating money, as well as distributing it. A government may be regarded as an independent source of spendable income. What it gives is supposed to be free...
>
> As Mr. Bourke pointed out, this delusion has been greatly encouraged by the many ways in which tax-consciousness is obscured.

I emphasize the words "in which tax-consciousness is obscured".

This is the operative part:

> The deductions from income taxes made "at source" was a scheme introduced to relieve people of the spectre of unpaid taxation. But the painlessness of the method has resulted in dulling the awareness of most people of how much of their income is actually being taken from them. They are less likely to miss

what they were never allowed to have. In fact many people receive a rebate at tax-paying time, which carries painlessness almost to the point of pleasure.

There are many other forms of taxation, even more completely hidden, such as the taxes imposed by government at the manufacturers' level. These taxes appear in the price of the product, but they are not identified. The consumer pays them without being conscious of how high they are, or perhaps that they exist.

There may be many excellent reasons why collecting taxes in these ways is easier. But they combine to make taxes seem, in large part, remote from everyday. The tax figures that appear in government budgets become impersonal totals. As Mr. Bourke well put it yesterday: "Thus we see people holding the bizarre notion that government services are either free, or, at least, are paid for by somebody else.

I am sure this is an attitude that is all too prevalent today. The editorial continues as follows:

The idea that if governments pay for social services, the services become free ignores another aspect. For what is "regarded as free is usually consumed extravagantly and wastefully." Even apart from whatever waste might develop, there is the simple fact that the overhead costs of government operations loom large in the price.

"As a matter of fact," says Mr. Bourke, "whenever the payment for a social service is removed from the individual to a government, it starts a chain reaction. Different levels of government have to meet the charges for the service and when, to these, are added their several overhead charges, the social service becomes a very expensive item indeed. Yet a great many people think that if governments—instead of the people themselves—pay the bills, it must be a 'free service'."

Some time ago—and this gives some point to the suggestion I make that the Senate might establish a special committee to examine taxation—the President of the Royal Bank had this to say:

Perhaps it would be in order, as soon as we can, to extend still further the range of inquiry into the working of our economy by setting up a Royal Commission on Taxation. I believe that such an inquiry could lead to a re-examination of existing taxing habits and to the establishment of a tax system more in keeping with Canada's problems and responsibilities, and with her need to meet both the challenges and the opportunities presented to her by the sometimes disconcerting trends inevitable in a developing world economy.

Honourable senators, from the report of the Dominion Bureau of Statistics on Principal Taxes and Rates, which is a review of what happened last year in taxation in Canada, I quote:

In Nova Scotia the tax on gasoline was increased from 17¢ to 19¢ per gallon, the 3% sales tax was increased to 5%.

In New Brunswick the tax on gasoline was increased from 15¢ to 18¢ per gallon, and on diesel fuel from 15¢ to 23¢ per gallon.

In Quebec, the tax on corporation income was increased from 10% to 12%. The sales tax was increased from 2% to 4%.

The Province of Ontario has introduced a 3% retail sales tax to be effective September 1, 1961.

And, honourable senators, that province is trying to collect a tax on new automobiles that are purchased in another province and driven here in Ontario part of the year.

In Manitoba the tax on gasoline was increased from 11c to 14c per gallon, and on other motive fuel from 11c to 17c per gallon.

In Saskatchewan a tax of 17c per gallon was imposed on diesel fuel and the tax on gasoline was increased from 12c to 14c per gallon.

And even in Alberta, where we have plenty of oil,

...the taxes on gasoline and diesel fuel were increased from 10c and 12c to 12c and 14c per gallon respectively.

In British Columbia the tax on gasoline was raised from 10¢ to 13¢ per gallon, and on other motive fuels from 12¢ to 15¢ per gallon.

These are just samples of what is happening in the taxation field today, and it should give us pause to take a new look at what should be done.

Honourable senators, to return to the subject of setting up a special Senate committee on taxation, such a committee might find answers to some, if not all, of the following problems:

1. What are the precepts and principles governing present taxation policy in Canada? There is little authoritative literature on this

subject apart from budget speeches announcing policy at a given time. A lot of our taxation structure seems to be based on the idea, (a) we have got to have the money; and (b) we will take it from where it is easiest to get regardless of whether or not this is a logical and consistent way of doing it.

2. What is the effect of this policy or lack of policy on Canadian enterprise? What are its effects on the corporate form of Canadian enterprise?

3. What do we consider to be the role and function of tax policy in a developing economy such as ours?

4. What should be the role and function of Canadian business executives in tax planning and tax policy?

In the years since 1939 we have witnessed a complete reversal of the sharing of the tax dollar. Before World War II municipal revenues accounted for 41.7 per cent of the total tax collected. During the war the balance shifted to the point where the federal Government collected most of the taxes, and that is the position today. Provincial revenues are in second place, and the municipalities, as of the year ending 1961, account for only 16.9 per cent of the revenues. The actual figures for 1961 are:

Federal	61.8 per cent
Provincial	21.3 per cent
Municipal	16.9 per cent

This reversal alone suggests the need of a new look at our tax structure.

Again, the acceptance by all parties of an increasing of appropriations for the welfare state means that inevitably we shall have to find more money year by year. For example, the welfare bills we have passed this week will add $150 million a year to our taxes. The other day a friend of mine, when commenting on the competition among the political parties in bidding for votes through the extension of welfare payments, suggested to me that he thought he would start a new party in which the ideal situation would be brought about whereby old age pensions would start where the baby bonus leaves off. In any case, the bills which we have passed in the last few days suggest that we should be studying very carefully the effects of tax policy on Canadian enterprise under the following headings:

(i) Has the corporate tax shifted?

(ii) What are the effects of shifted corporate income tax?

(iii) What are the effects of unshifted corporation income tax?

(iv) What are the effects of tax treatment accorded capital gains?

(v) What is the role of taxation on corporate financing?

Another major area is the role and function of tax policy in a modern economy. In this area there are usually two schools of thought: (a) that tax policy is an economic tool; and (b) that it is simply a revenue tool. In this general area there is a need for a great deal of research on the facts of taxation.

Some people have suggested that taxation is a science. It is certainly far from that at the present time. To anyone who has any training in science today taxation and tax policies are far from scientific in this or any other country. Many tax programs today are like Topsy, they have "just growed". This is particularly true of the petroleum industry where taxes have been applied on a basis of expediency, and certainly with all too little study of their possible long-term effects.

These are just a few of scores of questions to which we must find answers in the very near future.

To mention one area apart from the burgeoning welfare expenditures, let us look at the area of education in the national economy. One of the significant facts of life with respect to education in Canada today on the basis of our population of 17,814,000 in 1960, is that we were spending at the rate of $86 for every man, woman and child in Canada for a 200-day school year. In other words, in 1960 it cost us $7,700,000 for each day the classrooms were open. We should be spending more than that for education in Canada if we are to retain our place in this highly competitive world as we go on into the latter part of the 1960's.

The significant part of this story about expenditures for education, however, is that the expenditures for 1960, amounting to $1.5 billion, were more than twice what they were six years earlier, in 1954, and the most competent authorities in Canada today estimate that by 1970 those figures will have increased twice again.

I cite the welfare costs and the educational costs being carried by the Canadian people as mere illustrations of the trend which makes it inevitable that we must evolve some new principles and new sources of taxation, all of which should be designed to strengthen the development of our productive resources and our competitive position with other countries.

Now, honourable senators, before I leave the subject of education may I just say that the universities of Canada are grateful for the increase of 50 cents per capita in the federal grant. They asked for a grant of $2.50 per capita, and I am sorry that this amount could not have been paid this year because our universities are in very difficult circumstances. The provision of educational training today is a costly business. It is taking a longer

time to do the training; it takes more highly trained instructors and much more complicated and expensive equipment, and yet we must have these resources. This is an area in which we cannot afford to be niggardly in the future.

It is obvious to any student of the Canadian scene that Canada is in a ferment today. The emergence of an economically and, possibly later on, a politically unified Europe has implications of the most far-reaching portent for Canada. Certainly its development must give us cause to examine every facet of our national life which may either strengthen or weaken our effectiveness as a nation. For example, a vociferous and articulate minority in Quebec has been talking about separatism and setting up a republic of Quebec. This, of course, is most arrant nonsense, but the fact is that we should not overlook the possibility that there may be some real justification for the unsettlement in Quebec.

It seems to me that we, as Canadians, should be concerned about the fact that we have ten different systems of education rather than one. We should be concerned over the fact that because of the changing economy we have in Canada today there is much greater mobility of population. Companies and business organizations are moving their executives and employees, with their families, from province to province with increasing frequency.

In studies I have had made in some schools there has been as much as 25 to 40 per cent turnover in the student population in as little as two years. Of course, some of these students are leaving school, and others are moving to other schools within the province, but many are going to other provinces in Canada. They find that because of a narrow, parochial provincialism in some provinces a student is set back a grade merely because he comes from another province. We seldom hear of a student from another province being promoted to a higher grade. A lot of this is sheer nonsense, but it does suggest that without impinging on provincial independence or autonomy we should have wisdom enough in the administration of national policy with regard to education to set out provincially uniform standards of quality. This is where the federal Government can play an important role. Although under the terms of the B.N.A. Act the federal Government has no responsibility for education, nevertheless, year by year the federal treasury is making larger and larger contributions to education, and, in the national interest it will have to make still larger contributions. Thus, the national Government has a great stake in making sure that we evolve an educational system which will make effective the sort of uniformly high quality we need in this country, and particularly uniformity of standards. Something must be done about it. Something might be done by encouraging the provinces to get together, and the federal Government could exercise a certain measure of veto by saying, we shall not dictate what you should do in a particular province, but moneys will only be provided if you come up to certain standards.

This does not mean taking away provincial responsibility or autonomy in education. To me, one of the exciting things taking place in Canada today is the new look being taken at education in Quebec. It is healthy; it is good; and I venture to say that a great deal of good will be derived from such an examination in that province. The commission which is sitting there now may be the most effective of the six or seven Royal Commissions on Education that have been established in Canada. The nation has a great interest in, and responsibility for, encouraging a uniformly high standard of education throughout the country.

The fact that we have not been able to agree on a national flag or a national anthem, or whether or not we are a bi-cultural or multi-cultural nation, are all factors to which a special committee could devote its attention. I have simply used the committees on taxation and cultural development as illustrations; and I am suggesting that special committees of the Senate might give their attention to such matters. This is the kind of change and reform I would be concerned with, and I think the people of Canada would greatly appreciate such steps being taken. Such committees would perform a signal service for the country as a whole. It is in the acceptance, nay, in the seeking out and tackling of such problems that I see the kind of Senate reform that would serve the interests of Canada best.

Hon. F. W. Gershaw: Honourable senators, first of all, may I congratulate the mover (Hon. Mr. Méthot) and the seconder (Hon. Mr. Hollett) of an address in reply to the Speech from the Throne on their eloquence. Also I should like sincerely to congratulate the honourable Leader of the Government in this house (Hon. Mr. Aseltine) on his well-earned honour and the recognition which he has received.

In the Speech from the Throne the word "welfare" is used, and I wish to confine my remarks today entirely to national health insurance. People everywhere talk about sickness, disease and accidents. These are common topics of conversation, and well

they might be, because the ravages of disease and the tragedy of broken health are never very far from any of us.

Doctors, as well as others, recognize the desirability of having the best medical care that the age affords. This is not a subject for debate: all are agreed upon that. However, the point for careful examination and decision is, how can this best be realized? It is a delicate subject; it is a subject of human interest; it is a subject far above the consideration of dollars and cents. If the right course is pursued it will evoke appreciation and gratitude from the hearts of the people of this country; whereas, if the wrong course is pursued, it will bring discord, tears and sometimes resentment.

We are not by any means pioneers in the national insurance field. In the universal quest for health and happiness many countries of the world have adopted various types of national health scheme. Some are compulsory, some are voluntary, some are supported by taxation, some are supported by premiums, some have more coverage than others, and the methods of administration differ. Full reports on the various plans in being in different countries have been published, and Canadian doctors and others have gone to distant countries to inquire into the benefits which obtain, and to see which system would be best suited to Canada.

On December 21 last the Prime Minister announced the appointment of a royal commission on Canada's health needs and resources. That commission is holding investigations at the present time, and as a result of their studies and the experience of other countries, in the near future Canada will have a great opportunity to mould its medical practice as a model which will be a shining example to the rest of the world, because we shall then have the information necessary in order to build up such a system.

It seems to me that there are certain immediate needs in this regard which should be met. First of all, the advances in medical science during the last 60 years exceed those of previously recorded history. The results of heart, lung, brain and nerve surgery are outstanding. The dramatic changes that have taken place in the prevention and treatment of disease, as the result of research and the discovery of new drugs, have been very marked. Much has been accomplished, but much remains to be done. These recent advances should be maintained, expanded and improved upon. Therefore, one need at the present time is more and more research. Another is more hospital accommodation. In the cities of Canada it is impossible to gain admittance to a hospital for a minor complaint unless one is prepared to wait for two or three weeks. This is not desirable.

We need more trained nurses in Canada. Some hospital wards cannot be opened because the nurses required to service them are not available. In some cases nurses' aides—that is, partly-trained personnel—have been called in to assist in discharging nurses' duties.

More doctors are needed. Medical associations all over the country are trying to encourage young men and women to enter the profession of medicine. It is a fact that we require about 800 newly qualified doctors each year in order to maintain the efficiency of the medical service, and yet we are only graduating approximately 700. It is a well-known fact that most doctors in practice are booked up for days and days ahead and cannot make house calls, and yet house calls are a very important part of medical practice because they afford the doctor an intimate knowledge of his patients' living conditions. Really great results have been obtained because the average length of life, which at the beginning of this century was about 50 years, is now about 70 years.

The last point I wish to make is that health is a state of physical, mental and social well-being, and is not simply the absence of disease or infirmity. So if we are to have maximum health and happiness we must see that adequate nutrition, proper housing, and some measure of education are made available to the people.

There are three systems of medicine now being practised in Canada. There is, first of all, state medicine, secondly, there is prepaid medical care, and thirdly, private practice.

State medicine, honourable senators, implies the diversion of public funds for preventive or curative medicine, and about 30 per cent of the doctors in Canada are practising under that plan in different departments of government such as the Department of Health and Welfare, the Department of Citizenship and Immigration, the Indian Affairs Branch, in mental hospitals, in research, and so on.

Of the 18 million people in Canada about half are under some form of prepaid insurance. Indeed, everyone should have some calamity insurance. The cost of scientific medicine has advanced so much that it is beyond the reach of a great many people, and insurance policies would give them a great deal of protection.

Private practice is the free and easygoing type of practice which has served well and has stood the test of time. Under private practice a patient can go to any doctor or hospital he may wish. He can consult any specialist who appeals to him. He can go to

an osteopath, a chiropractor or a Christian Science healer, or to whoever he likes, and there is no compulsion whatever.

Honourable senators, there are those three types of medical practice in Canada. Each has its place, but no one practice can cover the whole field. Governments have special work to do. They have to maintain law and order, and they have to obtain for the people the necessities which cannot otherwise be obtained. The Food and Drugs Act is a good example of what governments can do. But the question is often asked: Why should governments go into this large field of supplying medical attention? Why should they not supply electricity, food, and clothing for all the people, because these are not as personal and they are less contentious?

In medical plans some urgent needs such as those I have mentioned must be met, but I would say that under present conditions a government would be ill-advised to take on an all-embracing medical scheme which would include medical and surgical care, preventive medicine, drugs, optical care, nursing care, and so on.

I must say that the doctors are hesitant about going into any plan of socialized medicine, but their reasons for that are not financial, because any doctor who has a practice at all has a ledger full of accounts which he never expects to collect while if he was practising under socialized medicine he would be paid. Yet, when you attend a medical convention you hear strongly worded resolutions being passed against state medicine, or socialized medicine. The determination of the doctors in Saskatchewan to have nothing to do with the Medical Care Insurance Act which was passed in that province shows that the schemes which have been advanced up to the present are not acceptable to them.

I will close my remarks, honourable senators, by saying that the Canadian Medical Association, after a lot of thought and study, has recommended first, that the highest standard of medical service should be available for every Canadian resident; secondly, that insurance to prepay the cost of medical services should be available to all regardless of age, state of health, or financial status; thirdly, that certain citizens require assistance to pay medical service insurance costs; fourthly, that the efforts of governments and doctors should be co-ordinated towards these ends; and, lastly, that while there are certain aspects of medical services in which tax-supported programs are necessary, a tax-supported comprehensive program, compulsory for all, is neither necessary nor desirable.

Hon. A. Neil McLean: Honourable senators, may I take this opportunity to congratulate the Honourable Senators Méthot and Hollett, the mover and seconder of the motion for an address in reply to the Speech from the Throne, for their excellent speeches in this chamber. I extend a warm welcome to our newest member of the Senate, the honourable Malcolm Hollett, who comes from our tenth province, Newfoundland, for which we all have a high regard.

I wish to extend my congratulations also to the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) for the high honour he recently received.

Our eastern provinces on the Atlantic coast, honourable senators, are situated in a very strategic area of Canada. It is hard for us who live there to understand why a neck of land 12 or 13 miles in width should continue to prevent parts of our provinces having direct access to shipping which has to take a roundabout route of over 400 miles to reach them. We are in sore need of the Chignecto Canal. I do not think there is any place on the whole North American coast where such a few miles of land separates people in this way.

Another thing that is hard for us to comprehend is that although we have open ports the year round free from ice, which also give the Canadian National Railways and the Canadian Pacific Railway many thousands of tons of freight from sea traffic, we are taxed to pay for the upkeep of icebreakers which operate for the benefit of ships that belong to private companies and which take freight away from Saint John and Halifax to icebound ports much farther from the coast. If these private companies need icebreakers, then they should pay for them themselves.

That is about all I have to say, honourable senators, about home grievances, but I would like now to call the attention of this honourable house to some national, or international subjects.

While speaking here in April 1959 and again in February 1960, I called attention to the jumping-jack premium on the Canadian dollar which was proving ruinous to the export trade of Canada. This obnoxious premium placed a penalty upon exports, and provided a bonus on imports. I am sure the federal Government acted wisely when it gave sympathetic consideration to the representations that were placed before it by many of the leading business associations of Canada and took constructive action to eliminate the premium on the dollar, thus giving export industries an indicated Government controlled exchange rate and placing that great industry in a strong position to meet the competition of other exporting countries.

A floating exchange rate is unstable, and makes a paradise for the speculator and the scalper, and was strongly condemned by the famous Radcliffe report to which I shall refer later. Few speculators, if any, will take a chance on speculating against a Government controlled rate of exchange. It is my opinion, also, that the Department of Trade and Commerce should be commended for the co-operation it has given the exporters of this country.

Much has been said during this debate about the increase in the country's money supply and in our national debt. I would like to put some figures on the record in this regard. At the end of December 1957 the money in circulation amounted to $11.923 billion. At December 1961 it was $15.76 billion, an increase of $3.153 billion.

As we all know, the federal Government has monetary reserves, or what might be called a redemption fund, as security for our money or debt that may be required for redemption purposes. At the end of December 1957, these reserves amounted to $1,100,300,000 in gold and $728 million in United States money. At the end of December 1961, our gold reserves had fallen to $924,200,000 and our United States funds amounted to $1,109,600,000. This is rather a strange situation: whereas Canada produces gold, it does not produce United States money. It is true that at the present time United States money is convertible abroad into gold, but that situation can change overnight; whereas, when any change takes place in the price of gold, we know, going down through history it has always moved upward in price. Gold is gold, and paper is paper; subject to sudden changes when gold goes up, paper goes down.

In the United States, they are required by law at all times to keep a 25 per cent gold reserve behind all their issued money supply. Our federal gold reserves, including United States dollars, do not amount to more than about 15 per cent of our money in circulation and, taking gold alone as the United States does, our reserve in gold amounts to a little over 7 per cent of our money in circulation. This reflects a very weak monetary situation in Canada, I think; and we used to be the third largest gold producing country in the world. It is regrettable that our gold production has decreased from $204,479,000 in 1950 to $156,851,000 in 1961, but even the gold we are producing is not finding its way into our federal national reserves as it should be. It is being disposed of elsewhere.

It is interesting to note that Great Britain has strengthened her gold reserves by about $1 billion during the last year, and the United States is doing everything possible to conserve their gold.

There are two kinds of money circulating throughout the world today which are being used to carry on trade. There is global or international money, and domestic money or currency. Global money is readily redeemable, as it is convertible into gold and is acceptable by all nations. Domestic money used within a country, and not convertible into gold, is simply a promise to pay and is redeemable by the fiction of issuing new promises to pay to take the place of old promises.

For some years now there has been a scarcity of global money as compared to domestic money, or in other words, a shortage of international money as compared to national money. This situation is giving international bankers and traders grave concern. When we hear of countries being short of foreign exchange it simply means they are lacking in global money, and they have to inaugurate an austerity program which places restrictions on imports and seriously affects exporting countries. England, Australia, South Africa, Japan and many smaller countries have recently been seriously affected in this way and have had to use restrictions. It also means that nations are often called upon to transfer gold to other countries to make settlements of trade balances, and it puts a heavy strain on them to do so.

United States has been steadily losing gold the last few years and this is causing that country's Reserve Bank grave concern. The reason for this state of affairs is simply that there is not enough gold in the reserve banks of the nations of the free world to carry on world trade normally. I know one cannot use gold to eat, wear or for shelter, but nevertheless it has intrinsic value the same as diamonds, pearls or works of art. It is rare, almost non-perishable, and it can be coined if necessary.

Down through the ages gold has established itself as a medium of exchange acceptable by all nations. The International Monetary Fund recently called for more capital by assessing the fifty-odd free nations that subscribe to its funds, in order to have more cash on hand to aid countries which encounter difficulties in making their international payments. However, this move on the part of the World Bank and International Monetary Fund does not really add one penny to the aggregate cash of the free nations as a whole. It merely spreads out more thinly what they already have. Many nations of the free world are bidding up interest rates against other nations in order to attract outside deposits to their central banks so as to strengthen their reserve

position adequately to meet outgoing payments. This increases the interest rates for everybody—federal government, provincial governments, municipalities, etc., and this results in increased taxation for us all.

As already stated, the United States has been losing gold steadily each year until now their gold reserves are at a 25-year low. If the United States were suddenly called on to pay off all their temporary foreign deposits, they would require all the nation's gold reserve to do so.

West Germany is about the only nation that has ample supplies of gold or gold money to meet its international commitments, if called on. This is rather amazing. It does not produce gold in any quantity but, starting from little or nothing a few years ago it now has an $8 billion gold reserve which it has accumulated by trading with other nations. West Germany is very prosperous, with no unemployment.

At the slow rate gold is being mined at the present time, and with expanding trade, the situation is bound to deteriorate and restrictions on trade become more acute. I am sure we all agree that a world based entirely on trade with a common unit of payment is of prime importance. Since the end of World War II, as Prime Minister Macmillan of Great Britain has stated, trade in the free world has increased fourfold, but the global money supply has only doubled. The World Bank and the International Monetary Fund which were set up by the free nations after the last war were supposed to use their best efforts toward full convertibility of money used in trade. They have, however, made rather slow progress. The answer to the problem, as I see it, would be to substantially increase the price of gold. The reasons for such increase are self-evident to many of those who have given the situation careful study.

Such distinguished bankers and economists as Sir Frederic Leith Ross, former Director of the Bank of England, and Charles Risk of France, a former Governor of the Bank of France and a noted writer on monetary subjects, have come forward strongly for such action. Only recently the Chairman of the Board of Imperial Chemical Limited of England, one of the largest industrial trading corporations of the world, stated as follows:

> One of the necessary steps for the revival of world trade is an increase in the price of gold. Furthermore, such a step would place the finances of England on a much more liquid basis and we might say that all other free nations would benefit.

The famous Radcliffe report on the British economic and monetary system, prepared for the British Government, laid great stress on nations keeping themselves in a liquid position.

The price of $35 per ounce for gold set up 29 years ago is all out of accord with the present price level of other commodities. Since the early thirties we have fought a second World War and the Korean War, and both have had an important effect in raising price levels throughout the world. At that time the United States and Canada, with a third of their populations unemployed, nearly went bankrupt on paper—not in real wealth or resources—and gold was scarce and being hoarded. President Roosevelt, after a close study by himself and in consultation with the world's leading monetary economists, took the situation in hand and increased the price of gold substantially. This was the same action that Sir Robert Peel, Prime Minister of England, took after the Napoleonic wars which nearly forced Europe into bankruptcy.

The President called in all the private bank bills or notes and made a new start with what we will call a 100 per cent purchasing federal dollar which was issued and backed by gold at $35 per ounce. When the price of gold was raised this stabilized the monetary situation in America and was the start of a prosperous era once again. One cannot keep placing new storeys on a building year after year without at times going back and strengthening the foundation, and in the last two decades nations have piled up mountains of debt on the old gold foundations which now are in sore need of strengthening because the new gold being mined is entirely inadequate to do so.

We often hear it stated that an increase in the price of gold would devalue the dollar. The answer, however, is that in the circumstances such a devaluation cannot be carried out a second time. The devaluation of the dollar is an accomplished fact and cannot be undone. A dollar is simply a unit of purchasing power, and today it will purchase only one-half what it would purchase in commodities at the time the present gold price was set. The use that the dollar has is its ability to purchase a certain quantity of goods or services. The only alternative would be to deflate the price level of commodities and wages back to the level of decades past. This would be impossible as it would, if undertaken, bring ruin and unemployment on a larger scale than we have ever known. Gold is the only important commodity that I know of which is still selling at pre-war prices. It is on the bargain counter, so is it any wonder outside countries are anxious to take gold from those nations which produce gold, or have it, when they can deposit 50-cent dollars and demand gold

at pre-war prices? The price is so low in comparison with other commodities that there is hardly any incentive for anyone to invest capital in or to prospect for gold.

Take Canada, for instance. There have been no new gold mines of importance opened up since the last war, although many hundreds of millions of dollars worth of gold ore are lying dormant under the ground in our north country. This seems a very unnatural situation when there is such a great need and market demand for gold throughout the world. I have no personal axe to grind, as I am neither a director nor an investor in gold mines.

If President Roosevelt was right in 1933 in pricing gold at the rate of $35 per ounce for 100 per cent purchasing power dollars—and we know from experience he was—then how can we price gold at $35 per ounce for 50-cent purchasing power dollars? This is what we are doing, even in Canada, and it does not make sense. I well remember a talk I had with the late President just before the last world war, when our conversation included a reference to gold. He said to me, "The price of gold will never go down in my time, but I cannot say but that it might not go up again."

I understand that the International Monetary Fund, with the O.K. of the United States and Great Britain—and I do not think there is any problem in getting assent from the latter—has the power to change the price of gold at any time. If the International Monetary Fund fails to take action in the near future, although I feel sure it will in time to come, I think Canada should lead the way now and raise the price of domestic gold to an economic level where it would give incentive and be profitable to capital and prospectors to invest their money in the exploration and opening of new gold mines, and also to mine marginal properties as well as rich ones that are now being exploited. This would do so much toward the development of our north country. If this were done, tens of thousands of our people could be put to work in the gold mining industry. As conditions are today, a hard-rock miner, with years of experience, earns hardly as much as common labourers in some other parts of Canada. Our increased production would be placed in our federal gold reserves, where it is sorely needed. It would be paid for in non-interest bearing currency, and have a far larger gold reserve behind it than the money we have circulating today. Therefore, there would be no inflation. At present the federal Government is paying quite large subsidies, running into millions of dollars per annum, to the older marginal mines, which are in the majority, in order to keep them going; otherwise, they would have to close down. This seems to me to be a haphazard and unstable system for the mines to operate under, as they never know exactly what they will receive in aid, and it is no encouragement to the opening up of new mines.

If an economic price were paid for domestic gold in accordance with the price level of other commodities, these subsidies would be eliminated. If Canada applied vision and courage to the gold situation it would be a most constructive example of what can be done by one of the smaller nations to impress the world that Canada was one of the first to see the light in solving a very serious problem, which seems not to be fully comprehended by several of the larger nations. Some of these nations do not, of course, have the great gold-bearing territories to explore and develop that are possessed by Canada. Only South Africa and the Soviet Union can compete with us in this regard.

Speaking of the latter, I understand northern Siberia has the same Cambrian Shield that Canada has, and visitors to that territory state that there has been very great mining development in Siberia during the last few years. Many new, large towns have sprung up, dependent on the product of the mines, both precious and ordinary metals, giving employment to tens of thousands of persons. The Soviet Union is carefully conserving its gold until now it is reliably said to have a central reserve of around $10 billion. It is self-evident that its object is to make the ruble a strong unit of currency for the communist world.

As stated, we, as a gold producing country, have before us a great opportunity to take constructive action with regard to the world gold situation, at comparatively little cost. If we pass up such an opportunity, I feel that some other nation is bound to take our place and get credit for seizing the opportunity for constructive action of the kind I have mentioned, which is bound to take place in due course. It is later than we think, and the time to act is now; for, as stated, considering our large increase of paper money in circulation and the great increase in our federal debt, our gold reserves are absolutely inadequate and may lead us into serious monetary difficulties.

On motion of Hon. Mr. Wall, debate adjourned.

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from

the House of Commons with Bill C-64, to amend the Civilian War Pensions and Allowances Act.

Bill read first time.

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Old Age Security Act.

An Act to amend the Old Age Assistance Act.

An Act to amend the Blind Persons Act.

An Act to amend the Disabled Persons Act.

An Act to amend the War Service Grants Act.

An Act to amend the Veterans Insurance Act.

The House of Commons withdrew.

The Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, February 20, at 8 p.m.

THE SENATE

Tuesday, February 20, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-63, respecting the construction of a line of railway in the Province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

Bill read first time.

SECOND READING

Hon. John A. Buchanan, with leave, moved the second reading of the bill.

He said: Honourable senators, the title of Bill C-63 pretty well describes the location and the extent of the proposed railway. It reads as follows:

> An Act respecting the construction of a line of railway in the Province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

It is my pleasure and indeed a privilege to move second reading of this bill, particularly so because it provides for the building of yet another link by which an important surplus product from our natural resources can be moved for sale to the markets of the world.

I am happy to recommend the expenditure of money on this project because it can and will immediately create jobs and, while doing so, will improve our economy generally. It will create a self-liquidating transportation asset which will serve an industrial plant that will in turn provide employment for the next quarter century to quite a number of employees, and during that time the whole project is calculated to pay a reasonable return on the capital invested.

The bill will authorize the Canadian National Railway to construct a railway line in the province of Alberta, as an extension on its Sangudo subdivision from Whitecourt, Alberta. The line will proceed in a westerly direction to the property of Pan American Corporation, in the Windfall gasfield area. The distance will be about 23 miles. The total cost of the line is estimated to be $2,300,000, which includes the cost of a 650-foot steel bridge over the McLeod River. This legislation will empower the spending of a sum not exceeding $2,645,000, which total is made up of the estimated cost, plus 15 per cent for contingencies.

This bill is the result of a negotiated agreement between Canadian National Railway Company and the Texas Gulf Sulphur Company, which is building a sulphur extracting plant on the property of Pan American Petroleum Corporation for the purpose of extracting sulphur from the sour gas in this field. When the sulphur and other hydrocarbons are removed, the remaining gas will go in a dry-clean form into the Alberta Southern Pipeline and will eventually be burned in California.

The plant, when completed, will produce approximately 650 tons of sulphur per day, and it is anticipated that within the next five years it will triple its output. The life of the gasfield, and therefore of the plant, is now estimated to be twenty-five years.

The Texas Gulf Sulphur Company's plans call for the initial shipments of sulphur to be made by March 1963, and the Canadian National Railways have been advised that direct rail service will be needed by that date. The Texas Gulf Sulphur Company has agreed to ship a minimum volume over the proposed line for a period of twenty-five years, and has guaranteed that appropriate penalties will be paid by them to the railway if at any period during that term the shipments fall below the minimum volume agreed to. In addition to all of these signed guarantees, they have agreed to make a very substantial cash contribution to the cost of construction of the line. In my opinion, honourable senators, this cash contribution is more than generous and I heartily congratulate the Canadian National officials for having negotiated such a favourable and equitable agreement.

Honourable senators, it would seem to me that nothing further of value can be contributed at this time by referring this bill to a committee for further consideration, for the very good reason that the whole bill is based on a confidential, negotiated agreement between the Canadian National Railways and the Texas Gulf Sulphur Company, which has already been officially signed. Each signatory is most anxious that the details of the agreement be not divulged and made

available to their competitors. This is understandable, for the Texas Gulf Sulphur Company is one of the greatest producers and sellers of sulphur in the world, under the stiffest kind of competition, and they are not anxious to furnish their competitors with confidential information related to their production costs. Nor should the Canadian National Railway Company, merely because it is a Government-owned railway, be obliged to divulge to a competing railway its technique in negotiating and finalizing a very desirable contract.

It is most urgent that this bill be given third reading as quickly as possible, because the piers and abutments of the proposed McLeod River bridge should in fact be under construction at once. These should be installed at the very low water level before the spring run-off. Much loss of time and money can be saved if these are proceeded with without even one day's delay. There are a number of construction personnel immediately available at Whitecourt. Let us put them to work at once.

Hon. Mr. Reid: May I ask the honourable senator if he is suggesting to the house that we give this bill third reading and pass it tonight? If that is what he has in mind, I am certainly opposing it.

Hon. Mr. Buchanan: Honourable senators, I am not asking that the bill be given third reading tonight.

Hon. Mr. Reid: You said so.

Hon. Mr. Buchanan: I asked that third reading be given as soon as possible. Personally, I would like to see the bill get third reading tonight but I do not expect it.

Hon. Mr. Reid: Well, I want to know more about it.

Hon. Mr. Farris: Did you suggest that the bill be not referred to a committee?

Hon. Mr. Buchanan: I suggested that it need not be referred because it seems to me that a committee hearing would probably further delay passing of the bill at this time. However, if honourable senators prefer that it go to committee, I would so move.

Hon. Mr. Connolly (Ottawa West): It is a private bill, and I understand that all private bills must go to committee.

Hon. Mr. Brunt: No, it is a Government bill.

Hon. Mr. Hugessen: Honourable senators, I should be very sorry were we to abandon the principle which we have invariably followed during the years I have been in this house of referring bills of this character to the appropriate committee. I happen to be the Chairman of the Standing Committee on Transport and Communications, and I am quite willing to try to arrange a meeting of that committee some time tomorrow, if the honourable senator wishes to have the bill explained.

Hon. Mr. Buchanan: Thank you, honourable senator. I would be glad to have it go to the Standing Committee on Transport and Communications, and I should be grateful if it could be put through as quickly as possible.

Hon. Mr. Hugessen: Were we to hold a meeting tomorrow, would the officers and those interested be available as witnesses?

Hon. Mr. Aseltine: I have already made some arrangements, and I believe they will be available should the bill go to committee.

Hon. Mr. Farris: There is no danger of dissolution?

Hon. Mr. Brunt: You are the only one who worries about that.

The Hon. the Acting Speaker (Hon. Mr. Choquette): Honourable senators, I assume there will be a debate on the motion for second reading, and at the conclusion of that debate I shall put the question on the motion, after which I shall ask, "When shall this bill be given third reading?". I presume it might then be moved that it be referred to the appropriate committee.

Hon. J. Wesley Stambaugh: Honourable senators, may I congratulate the honourable senator from Edmonton (Hon. Mr. Buchanan) on his explanation of this fine bill. I think it is a very good deal for the Canadian National Railways, but I am not so sure it is such a good deal for some of the people living on the right of way. This is a very important feature, and it is one reason why I think the bill should be referred to the appropriate committee. Alternatively, were the honourable senator from Edmonton prepared to delete clause 8, then I would have no objection to the bill being passed.

I should like to read clause 8 for the benefit of those honourable senators who may not have read it. It states:

> Except as otherwise ordered by the Board of Transport Commissioners for Canada, the company is not required to fence any part of the right of way of the railway line—

The sting is in the tail.

> —and is not liable in respect of any loss or injury sustained by reason only of the absence of fencing.

I realize that this is quite a wild part of the country. I know something about it, for

I have hunted and have done some fishing in the area. Until recently it was quite heavily timbered, but the timber has been almost completely cut now, and in a very short time there may be some settlers living along the right of way. A large part of it is not what one would call first-class agricultural land, but some of it is quite good.

This particular line of railway from Edmonton to Whitecourt is between 100 and 110 miles long—I am not sure of its exact length. It passes through land which is nearly all good for agricultural purposes and is well settled. All the little towns along that line have elevators, and some have three or four. Blue Ridge, a little town just seven or eight miles from the end of the line, has an elevator, but I do not think Whitecourt itself has one. I have not been up in that area for several years, but it did not have an elevator the last time I was there because, as I have already said, the surrounding area was quite heavily timbered.

I do think that in the near future there will be settlers living along the proposed line. Perhaps some are already there because I know there is more agricultural land along the line, and if it is necesary the railway company should have to provide fencing. If it is not necessary, then all the railway company has to do is apply to the Board of Transport Commissioners to be relieved of the responsibility. That, of course, would not relieve them of any civil liability in respect of damage caused by the absence of fencing. If a settler's cattle get onto the tracks and are killed the Board of Transport Commissioners cannot absolve the railway company from civil liability, but they can relieve it of the responsibility of building a fence.

My objection to this clause in the bill, honourable senators, is that by it the Canadian National Railway Company is asking to be relieved, by statute, of responsibility with respect to non-performance of duty. Under the Railway Act at the present time the railway company is compelled to provide fencing unless it applies to the Board of Transport Commissioners for permission not to do so. If it can prove to the board that a fence is not necessary then the board will exempt it.

Both railway companies have hundreds of miles of line that are not fenced, some portions of which are on the main lines. Some fencing is still not done between Bruce and Edmonton on the main line, but with respect to that the railway company is taking the responsibility. If any damage is caused because the line is not fenced, the railway company assumes the risk. I do not think it has applied to the Board of Transport Commissioners for permission not to build a fence. It has just left the line unfenced.

Hon. Mr. Buchanan: Even after the passage of this bill the Board of Transport Commissioners still has the right to order the railway company to fence this line, has it not?

Hon. Mr. Stambaugh: Yes. The board certainly can order the company to fence the line, but do you think a little settler along the right of way is able to make application before the board and stand up against the solicitors of the Canadian National Railway Company? Such a man has no chance. I know something about that matter.

The little town of Bruce from where I come tried to get authority from the Board of Transport Commissioners for a right of way across the railway tracks in order to build a road, and the C.N.R. opposed the application. The Board of Trade wrote letters to the railway company, but got nowhere. However, after I was appointed to the Senate I took up the matter before the Board of Transport Commissioners and obtained permission for the town to build the road.

Those poor little settlers along the right of way, honourable senators, are not likely to be able to present their case, unless they can find lawyers who will work for nothing. I want the C.N.R. to have to appear before the Board of Transport Commissioners and ask for the right not to build a fence. The onus should not be placed upon the settlers along the right of way to force the railway company to build it.

Hon. Mr. Macdonald (Brantford): Honourable senators, I wonder if the honourable senator would be satisfied if the last two lines of clause 8 of the bill were deleted? If that were done the railway company would not be required to build the fence, but it would still be liable for any loss or damage caused by the absence of the fence. May I ask the honourable senator for his comment on that?

Hon. Mr. Stambaugh: Honourable senators, I would say that that would improve the situation about 50 per cent. A half loaf would be better than no bread.

Hon. Mr. Brunt: It only goes halfway.

Hon. Mr. Stambaugh: Yes, it would go only halfway because if the settlers along the right of way decided they wanted a fence they would then have to appear before the Board of Transport Commissioners.

In any event, honourable senators, I can tell you that it is pretty hard to collect from the C.N.R. I once lost some horses because of the company's negligence, and it would not

pay for them. I decided that by the time I hired a good lawyer and went to court my loss would be even greater, and that I would be better off to suffer the loss. A neighbour of mine had a similar case against the railway company. He took his case before the courts, and nearly three years passed before he finally got a settlement of $650, but his costs were over $1,000. That stopped me and other farmers from trying to collect for any stock run over by the C.N.R.

Hon. Mr. Macdonald (Brantford): I see that I should not have asked that question.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Buchanan, bill referred to the Standing Committee on Transport and Communications.

CANADIAN NATIONAL RAILWAYS

BILL TO AMEND—CONSTRUCTION AND PURCHASE OF BRANCH LINES IN MANITOBA—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba.

Bill read first time.

SECOND READING

Hon. Arthur M. Pearson, with leave, moved the second reading of the bill.

Hon. W. Ross Macdonald: Honourable senators, I am not rising to object to second reading of the bill now, but I would like to draw to the attention of the house that this procedure cannot be accepted as a general practice. The honourable sponsor of this bill (Hon. Mr. Pearson) spoke as if it were just a matter of his asking for second reading now. I repeat, this cannot be accepted as a general practice. However, as Bill C-63 has received second reading I cannot object to this bill being read a second time now. I expect it will be referred to the Standing Committee on Transport and Communications for consideration along with Bill C-63.

Hon. Arthur M. Pearson: Honourable senators, on December 19, 1957 I spoke in the Senate for the first time after my appointment. My remarks at that time were on Bill C-196, respecting the construction of a railway line by the Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by that company from The International Nickel Company of Canada, Limited, of a short line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba. A line of railway some thirty miles long was purchased at a cost to the Canadian National Railway Company of some $5,400,000. The cost of construction of the other fifty-two miles was estimated to be $8,840,000.

This line runs in an easterly direction from Optic Lake, a point on the Lynn Lake branch, for some thirty-six miles, and then runs northeasterly through to Chisel Lake. When this bill is before the committee I shall show honourable senators a map on which they will be able to see that this railway line runs through a great deal of tundra or low swamp land. These fifty-two miles have now been completed, and copper and zinc ore have been going over the line to the Flin Flon smelter for the past three or four months.

Honourable senators will be pleased to know that this line was completed at a cost of $6,400,000 or, in other words, $2,440,000 less than was estimated. This would indicate that the railway company had been careful in holding the cost down to this amount. It would also indicate to me that the terrain was not quite as formidable as had been anticipated in the first location surveys. They were also able to get some good low tenders for the construction, and the weather conditions were favourable at the time the line was being built.

The Hudson Bay Mining and Smelting Company Limited, which asked that the line be constructed, guaranteed to transport some 350,000 tons of ore per annum from Chisel Lake to Flin Flon. It was estimated that the freight revenue on this would pay for interest charges and cost of maintenance and still leave a fair surplus to the railway. The Hudson Bay Mining and Smelting Company has now discovered additional large ore bodies of copper and zinc at two points north and east of Chisel Lake, one at Stall Lake, and another at Osborne Lake some 11 miles northeast of Stall Lake. This company is now requesting that the Canadian National Railways extend the present line from Chisel Lake to Stall Lake, a distance of eight miles, at an estimated cost of $1,090,000, making a total of 60 miles of rail line all at a cost of $7,490,000. This means that there may be a balance in the original estimated cost of $1,350,000, so that Bill C-48, being an amendment to the original statute, does not anticipate a further appropriation.

The Hudson Bay Mining and Smelting Company Limited expects to transport the ore by truck from Osborne Lake to the end of steel at Stall Lake. The company expects that the total increase of tonnage from these two additional properties will be something like 182,000 tons per annum, which means that each year 532,000 tons would be transported to Flin Flon. If the Canadian National Railways get the green light to construct the additional eight miles, they expect to have it in operation by May 1, 1963.

This construction will mean employment for the year of at least 75 men, and the opening of these two ore bodies will give initial employment to some 185 men. As its properties expand, the company expects an increase in the number employed.

Honourable senators, Bill C-48 is an amendment to chapter 13 of the Statutes of Canada, 1957-58. Section 1 of the bill provides that all that portion of the schedule in the act relating to the line of railway described as "Branch Line Number 1", is repealed and the following substituted therefor:

> A line of railway from a point on the Lynn Lake railway line at or near Optic Lake extending in an easterly direction to a point at or near Chisel Lake and from that point to the property of Hudson Bay Mining and Smelting Company Limited at Stall Lake, all in the province of Manitoba . . .

The part underlined in the bill constitutes the actual amendment to the original statute and indicates the extension of the original Optic Lake to Chisel Lake line. The mileage has also been increased and will appear in the new schedule as 60 instead of 52 as in the schedule being amended.

It will be observed in the schedule with the explanatory notes that the estimated average cost per mile was $170,000, whereas the actual cost was considerably less, being $147,333, as indicated in the new schedule on page 1 of the bill.

Honourable senators, before concluding my remarks I would like to give a short story about the development which is taking place at Thompson Lake, at which point the line purchased from The International Nickel Company of Canada Limited terminates. There is now a townsite with some 5,000 or 6,000 people at Thompson and it is estimated that by 1966 the population will increase to about 17,500. There is a large shopping plaza about 600 by 200 feet in size, housing four large chain stores which are well known throughout Canada. The town will have a population of some 12,000 by next year. It is expanding steadily and business people are moving into the outskirts. From what I have read and heard from people who have been to Thompson, the openings for business people and a tourist trade are almost unlimited. There is, however, a great need for social activities. The Government of Manitoba is pushing the construction of a highway from Lake Winnipeg to Lake Manitoba, and a bridge has been completed across the Saskatchewan River at Grand Rapids, towards the northwest end of Lake Winnipeg. This road will probably be completed to the town of Thompson in another year, and will result in additional business opportunities. Every person I have spoken to has been enthusiastic about this northern area, and I understand the need for workers is still great. International Nickel has taken on men with little or no experience and has promoted them quickly if they showed an ability to work. I have been told that if some of our unemployed would make an effort to get into that country they would soon find work, and thus reduce the number of unemployed in large centres.

Honourable senators, I would like to refer to a news item which appeared in the Winnipeg *Tribune* on November 2 of last year. It refers to the multi-million dollar Thompson Plaza shopping centre, which, as I said before, is 600 feet long and 200 feet wide, with stores located around its perimeter. The article speaks of the search for nickel in northern Manitoba, and I read this one short extract:

> This search culminated in the $175 million mining and smelting complex, with associated hydro-electric development, at Thompson—and the growth of the town named after Inco executive Dr. John Thompson.
>
> A "model" town, carved out of a wooded area laced with lakes and swift rivers, 400 air miles north of Winnipeg, is the picture which greets visitors today.

The people of Manitoba consider that Thompson is the fastest growing town in the west and they are looking for great things from that northern area.

Hon. A. K. Hugessen: Honourable senators, I gather from the explanation of the honourable senator from Lumsden (Hon. Mr. Pearson) that the only reason this bill is required is to permit the construction of an extension of eight miles of track to these new developments, over and beyond the 52 miles authorized by the statute of 1957, and that no additional expense is involved for the reason that the Canadian National Railway Company managed to build the 52 miles very much more cheaply than it had anticipated and now finds that with the original appropriation it can

build the additional eight miles without requiring any more money. I think that is the story.

Hon. Mr. Pearson: That is right.

Hon. Mr. Hugessen: That is a very satisfactory performance on the part of the Canadian National Railways.

As I recall it, at the time of the original bill in 1957 there was an agreement—and I think my honourable friend referred to it—between Canadian National Railways and the International Nickel Company, under which the nickel company undertook to provide sufficient traffic to pay the operating expenses of the railway, and a small profit in addition.

Hon. Mr. Pearson: Excuse me, but that was the Hudson Bay Mining and Smelting Company Limited.

Hon. Mr. Hugessen: I beg your pardon. I suppose the fact that these additional eight miles now to be built will provide still further traffic along the same line as a result of the new discoveries will mean that the line will be more profitable than was originally anticipated. Under the circumstances, no one could possibly take objection to its being built.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Pearson, bill referred to the Standing Committee on Transport and Communications.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-65, to amend the Children of War Dead (Education Assistance) Act.

Bill read first time.

SECOND READING

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the second time?

An Hon. Senator: Next sitting.

Hon. George S. White: Honourable senators, with leave, I move that this bill be read the second time now.

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman why he suggests that the bill be read the second time now? If there is any urgency, and if it is the desire of the Government that the bill should receive royal assent this week, I would have no objection; but if there is not likely to be royal assent, I can see no reason for proceeding with second reading now.

Hon. Mr. Aseltine: That is the situation as I understand it, honourable senators, and if it is agreeable to the house I would like second reading of this bill to be proceeded with this evening. However, I do not wish to trespass on the rights of honourable senators any more than I have to. It will be recalled that two bills of a similar nature in connection with veterans were passed and received the royal assent. We hope that the two veterans bills now before us will receive royal assent some time this week. If leave is given to proceed now with the second reading of this bill, I would like to ask that the sister bill appearing as Order No. 4 on the Orders of the Day be brought forward so that the two remaining bills having to do with veterans can be dealt with by the honourable senator from Hastings-Frontenac (Hon. Mr. White).

Hon. Senators: Agreed.

Hon. Mr. White: Honourable senators, first I would like to express my appreciation to honourable senators for giving leave for second reading of this bill.

The bill deals with another act which affirms part of the Veterans Charter and has been in effect since July 1953. Under this bill it was intended to provide opportunities for advanced education to a child of a member of the forces who lost his life while on service during World War II, or afterwards, from a cause deemed to be related to his wartime service or directly attributable to subsequent peacetime service. The children of those who died during the campaign in Korea are, as a result, also eligible. It was hoped that by this means children would be able to enjoy the academic advantages which their deceased fathers would have endeavoured to give them, had they lived.

When the original studies were made it was anticipated that perhaps 1,100 or 1,200 students in all would obtain benefits consisting of allowances payable during the academic year and the payment of annual fees up to a maximum of $500 a year.

The number of children assisted under this act has greatly exceeded the original estimate. Up to December 31 last 2,541 applications had been approved. Of these students, 694 have completed their courses and 962 are now in training. The most popular university courses have proven to be the arts and science, in which 358 students have completed their courses or are still in training. In the field of

education, 309 students have either graduated or are now pursuing courses. Large numbers have also enrolled for courses in engineering and applied science, in commerce and in business administration. Numbers of others are enrolled in such courses as medicine, theology, social work and agriculture. Over 350 have either completed their courses or are in training in the field of nursing.

For the information of honourable senators, I would ask leave to place on *Hansard* two tables giving full details.

Hon. Senators: Agreed.

UNIVERSITY TRAINEES

July 1, 1953 to December 31, 1961

Total applications approved 2541

Males 1226, females 1315

	Completed		In Training		
Faculty	Males	Females	Males	Females	Total
Arts and Science	43	84	124	107	358
Agriculture	2	1	17		20
Engineering and Applied Science	52		92		144
Education	28	49	108	124	309
Commerce and Business Administration	30	4	50	11	95
Dentistry	1		9	1	11
Medicine	7	2	23	8	40
Social Work	1	10	6	22	39
Theology	3	1	14		18
Total	167	151	443	273	1034

POST-SECONDARY SCHOOL TRAINEES

	Completed		In Training		
Course	Males	Females	Males	Females	Total
Business Administration	4	1	5		10
Commercial Art and Design	3	1	3	1	8
Nursing (Reg. Nurse)		204	1	146	351
Secretarial		14		12	26
Teaching	13	97	11	32	153
Technology, Chemical	3		4		7
Technology, Electrical	2		2		4
Technology, Electronic	6		8		14
Technology, Laboratory		8		6	14
Technology, X-Ray		6		1	7
Technology, Other	8	2	11		21
Other	2	2		3	7
Total	41	335	45	201	622

Deferred	254
Suspended	20
Discontinued	611
Total	2541

(Note)

"Deferred" includes those in courses of over four years who are conserving entitlement for later, more expensive, academic years and those repeating failed years.

"Suspended" refers almost exclusively to those on vacation or other brief absence from training.

"Discontinued" includes those who withdrew from training to take employment; those whose entitlement expired before completion of training; those who failed, or who ceased training for any reason other than "completed".

Hon. Mr. White: The first table gives the total number of approved applications for males and females who have completed or are still taking university training. The second table gives the number of students who have completed or are still taking post-secondary school training.

This act has thus proved to be a most useful piece of veterans legislation, both for the families it was intended to help and for the country as a whole.

The amendments in the present bill are primarily intended to give effect to the Government's wish to provide assistance on the basis of the increased expenditures which are now required, and to enable completion of courses which are now cut short because of the limits at present imposed on maximum age and length of period of assistance.

The annual total cost as a result of this amendment is estimated at $71,000.

Hon. Mr. Macdonald (Brantford): For how many years hence?

Hon. Mr. White: I should say to the honourable leader that the age limit has been extended to 30 years in certain courses.

At present the act provides for a maximum period of assistance of 36 months or four academic years. Further, that assistance may not be granted beyond the academic year in which the student attains age 25. A number of cases have come to attention in which a meritorious student has embarked upon a sound educational program requiring university training exceeding four years, such as a course in law or medicine. It does not seem right that such a student should be cut off from assistance while he is only part way through his course and shows promise of being able scholastically to complete it with distinction. It is therefore proposed that the minister have discretion to authorize the extension of the period during which assistance may be granted, so that such a student may continue to receive assistance until the completion of an approved course of study which will lead to a definite goal.

There have also been a number of instances in which, through a combination of circumstances, students have been unable to commence their courses, usually for health or economic reasons, by age 21, as at present is generally required. It is therefore proposed, where circumstances warrant, to permit such a student to be enrolled under this act. Where a student has been delayed in commencing or continuing his higher education it is proposed to permit him to receive assistance, where the special circumstances and his progress warrant it, up to the end of the academic year in which he attains the age of 30 years.

There are two or three clarifications proposed in the definition of a "student" in order to grant assistance to a number who seem to fall within the original intention of the legislation but who through technicalities in the interpretation of the present definition are excluded.

It is obvious from the figures I have given that the Children of War Dead Act, commonly known as the Educational Assistance Act, has been very successful. I think that Parliament, and those members of the House of Commons who were responsible for this measure, may feel quite pleased that by this legislation 2,500 orphan children have been given the means to pursue higher education which would not have been normally available to them.

When one considers the various courses which these students have pursued, and the fact that they do not receive their allowances unless they prove they are capable of continuing the courses, honourable senators will appreciate that this has been a very useful piece of legislation. It is only fitting that orphan children of those who have lost their lives in defence of our country should receive this type of help. It is only the type of help which, had the fathers lived, the children would perhaps have received through parental resources; but, because they are handicapped by the loss of a parent, they then become wards of the state with respect to education. I think it is highly creditable to Canada that such provision has been made for these children.

Honourable senators, I commend very heartily this amendment for your consideration.

Hon. Mr. Macdonald (Brantford): Honourable senators, I would also commend this bill to the favourable consideration of the house. This legislation has been of great help to those who have been left without a father. I ask the sponsor of the bill if it applies to orphans only? Does it apply to a 100 per cent pensioner who is not in a position to give his child an education, or does it apply only to children of those who lost their lives in either of the two world wars?

Hon. Mr. White: Honourable senators, my information is that it applies only to the orphans of veterans who lost their lives in the war, or subsequent to the war and attributable to war service.

Hon. Mr. Burchill: Honourable senators, the sponsor of the bill indicated that students were not permitted to continue their studies unless they were worthy. Who makes the decision as to the worthiness of a student?

Hon. Mr. White: I do not think I indicated

that. I may have indicated that that is so in the case of students who are allowed to continue their studies to age 30. Such cases are in the discretion of the minister, and those students have to attain a certain degree of efficiency each year. But in ordinary circumstances I do not think students have to come up to a certain standard. It is sufficient if they pass.

Motion agreed to and bill read second time.

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read a third time?

Hon. Mr. White moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

BILL TO AMEND—SECOND READING

Leave having been given to proceed with Order No. 4:

Hon. George S. White moved the second reading of Bill C-64, to amend the Civilian War Pensions and Allowances Act.

He said: Honourable senators, in moving second reading of this bill may I say that the bill does not seek to amend the present act in any way, but it would add an entirely new part.

The purpose of the new Part XI is to make certain amendments to recognize certain groups which served during World War II under difficult and dangerous conditions but which have not received the same attention as veterans.

The intention of the amendment is to bring persons in these categories, not under the War Veterans Allowance Act, but to make available to them the assistance that is provided to veterans under that act.

The Civilian War Pensions and Allowances Act was passed in 1946 to provide pensions to members of a number of civilian groups who became disabled while furthering the national war effort and to dependents of those who lost their lives as a direct result of enemy action.

The word "allowances" in the title has so far referred to detention allowances which were paid to merchant seamen if they were detained or imprisoned by another country. The allowances compensated for the loss of wages suffered because of detention.

The present act is administered by the Canadian Pension Commission. The Act as amended will be administered by the War Veterans Allowance Board.

The groups to whom it is proposed that allowances be made available are:

(1) World War I. The Canadian Merchant Marine and those Canadians who served in the merchant services of the allies.

There were 39 merchant ships of Canadian registry during World War I, and a number of Newfoundland registry. A small number of Canadians served in British and allied merchant shipping. It is estimated that about 5,000 merchant seamen served in all these ships. Most seamen served in dangerous waters. We cannot determine accurately the number of these who survive, but a careful estimate indicates that only a few hundred seamen and their widows are now alive. The annual cost is estimated at about $105,000. As this group is decreasing because of advanced age, the cost will drop quickly.

(2) World War II. Canadian Merchant Marine and those Canadians who served with Canada's allies on certified non-Canadian ships.

There were 194 merchant ships of Canadian registry and a number of Newfoundland registry. Canadian seamen served in many certified non-Canadian ships, including a number who served under an agreement with the British Admiralty, known as the T-124 agreement, which applied to service on such ships as armed merchant cruisers and rescue tugs. It is estimated that there are about 20,000 survivors of all these groups, including widows and orphan children, and that about 400 would now qualify for allowances on the basis of service eligibility consisting of at least six months spent at sea during the war and including at least one voyage through dangerous waters, or the award of a pension or detention allowance under this act. The estimated present annual cost of allowances to this group is $500,000.

(3) World War II. Corps of (civilian) Canadian Fire Fighters for Service in the United Kingdom.

This corps was organized in Canada for service in Britain, to assist the National Fire Service in combatting fires caused by enemy air raids. Members were required to serve for the duration of the war, or as long thereafter as necessary. Of the 422 fire fighters who enrolled in the corps, 408 served in Britain and had all arrived there by December 1942. Complete service records of this corps are available. It is proposed that service eligibility for allowances will require a continuous period of at least six months spent in Britain prior to May 9, 1945, or the award of a pension under this act, and that the widows and orphan children of deceased members who saw such service be also eligible. The estimated annual cost is $12,000.

(4) World War I. Voluntary Aid Detachment.

This detachment was selected by the St. John Ambulance Brigade and sent to Britain to assist the Women's V.A.D. of the British Red Cross. They served in Imperial hospitals in Britain and on the continent, having proceeded overseas between September 1916 and September 1918. Of the total of 360 who proceeded overseas, 54, including 12 from Newfoundland, served on the continent of Europe. Nominal rolls are available. The bill provides that members of this detachment and the orphan children of deceased members be eligible for allowances provided that before November 12, 1918 they served on the continent or at least 365 days in Britain, including sailing time from Canada and on return during the period of hostilities or, alternatively, were pensioned under this act.

(5) World War II. Overseas welfare workers.

This was a group of women who served overseas under the auspices of the Canadian Red Cross Society, the St. John Ambulance Brigade and the Scottish Ministry of Health. There were 861 workers who left Canada for service overseas. It is proposed that, as these workers served in Britain and on the continent under hazardous conditions, they and the orphan children of deceased workers be eligible for allowances, provided they served overseas for a continuous period of at least six months, or are pensioned under this act. The annual cost would be very small.

(6) World War II. Canadian civilian air crew of the Royal Air Force Transport Command.

These men were first employed in 1940 as civilians to fly bombers and other aircraft across the Atlantic. In 1941 the organization was taken over by the R.A.F. Transport Command. At the conclusion of hostilities there were 269 Canadian survivors of this group. Complete records are available. The members suffered a fatal casualty rate of 20 per cent. It is proposed that those who served as air crew for at least six months during the war and who made at least one ocean crossing, and the widows and orphan children of deceased members, be eligible for allowances. The annual cost would be very small.

(7) World War II. Newfoundland Overseas Forestry Unit.

This group was recruited in Newfoundland at the request of the British Government. The earlier contracts were for six months only, but subsequent contracts were for the duration of the war. They were engaged in the cutting of pit props for coal mines, an activity vital to the war economy. They served mostly in Scotland. Of the total of 3,680 who went overseas, about 3,100 remained as civilians, as some of the first group joined the forces. The group suffered about 30 fatal accidents and 335 were repatriated on medical grounds. Records are virtually complete. It is proposed that the members of this unit who contracted to serve with the unit for the duration of the war and who served in Britain for at least six months, and the widows and orphan children of deceased members with this service, be eligible for allowances. The present annual cost is estimated at $60,000.

Honourable senators, I would commend this bill to your earnest consideration. I feel you will all agree that these men, their dependants, widows and orphans, are entitled to the benefits which we now propose making available to them.

Hon. W. Ross Macdonald: Honourable senators, as usual the honourable senator from Hastings-Frontenac (Hon. Mr. White) has given a clear and concise explanation of legislation that he has presented to this house; and, once again, I join with him in commending it to your favourable consideration.

I must say, however, I regret that the bill does not go much further, especially with regard to one group of those who served their country well during the Second World War. I refer to the Corps of Fire Fighters.

Honourable senators will recall that in the early days of the war, especially in 1941 and 1942, there was great destruction in many cities throughout England and Scotland, fires raged almost every night in many cities in those two heroic lands, and thousands of people were killed.

As a result of those fires the British Government asked Canada to raise a Corps of Fire Fighters. After Canada had agreed to take this step a pamphlet concerning the matter was distributed among the armed forces in Canada and those who had had previous experience as firemen were asked to volunteer for this new corps. In the first place, I would point out that these men had volunteered for overseas service in the armed forces, but when the call came and the great need arose for fire fighters to save, in many instances, the lives of British people, these men gladly answered that call. I should remind honourable senators that at that time the Canadian armed forces were not engaged in battle, although they were prepared for it, and indeed, some were overseas. As I say, there was this call to them to go over to Britain immediately, to be in the firing line, as it were, right away; and they responded.

Over 400 volunteered for this service. They transferred from the armed forces to another branch, they thought, of the armed forces. When serving with the fire fighters I do not

think there was one of those men who did not feel he was serving his country just as well and in just as dangerous a position as if he were serving in the regular armed forces.

Such men were going immediately into the line of battle. All the men who joined that force say they received the impression that when they returned they were to get every consideration given to a returned veteran. They have made statements that upon leaving Canada they were addressed by Canadian generals who assured them that they would receive every consideration.

They arrived in England when the bombs were falling upon the city of London. What did they do? They went immediately into action because they had been trained in fire fighting. The rest of us who happened to be there—I was there for a short time—ran for cover when the bombs fell, but not so the members of the fire fighting corps. They had to stay where there was danger and fight the fires, with the result that a number were killed and many wounded.

Honourable senators, do you not think that they should be considered as veterans in the same way as those who served in the line in the First and Second World Wars? But no; these men came home and were not considered veterans. They were treated as civilians. They were not civilians, of course, because they had special uniforms. They were under the command of an officer, under strict discipline, and they received the same pay as did the men in the armed forces, but for some reason or other they were not considered veterans.

These men have been accepted into the membership of the Royal Canadian Legion, but when the veterans' charter was drawn up they were not included, and did not get the benefits of the charter. You will be surprised, honourable senators, when I inform you that they did not get the benefit of the Supervisors War Service Benefits Act. Under that act every supervisor, as defined, was deemed to be a veteran within the meaning of the Veterans' Land Act, the Veterans Insurance Act, the Veterans Rehabilitation Act, the War Veterans' Allowance Act, the Unemployment Insurance Act, and the Veterans' Business and Professional Loans Act.

Who were considered veterans under that act? The fire fighters who went through the bombing of the city of London were not considered veterans, but those who served in the Canadian Legion War Services Incorporated, the National Council of the Young Men's Christian Associations of Canada, the Knights of Columbus Canadian Army Huts, and the Salvation Army Canadian War Services were considered veterans.

I do not speak disparagingly, honourable senators, of anyone who served in those auxiliary services, but I do wonder if persons who served in those services are considered veterans, how we can leave out the fire fighters.

Hon. Mr. Brunt: Would the honourable leader mind telling me when that act was passed?

Hon. Mr. Macdonald (Brantford): It was passed in 1946. It has been in effect since the close of the last war. I commend the Government for making some improvement in it, but it is very difficult for me to understand why that was not done earlier. I do not understand why the Government which I supported did not improve the act, and why this Government has taken five years to do it. What is more difficult to understand is why, when the present administration saw that some injustice had been done, it has not gone all the way.

I would also point out to honourable senators that the men who served in the Corps of Canadian Fire Fighters are not entitled to wear the Canadian Volunteer Service Medal, although those who served in the Canadian Legion War Services Incorporated, the National Council of the Young Men's Christian Associations of Canada, the Knights of Columbus Canadian Army Huts and the Salvation Army Canadian War Services are entitled to wear that medal.

Hon. Mr. Brunt: Do you know if they wear a special medal?

Hon. Mr. Baird: Honourable senators, what about the conscientious objectors?

Hon. Mr. Brunt: There's a bombshell.

Hon. Mr. Macdonald (Brantford): I think the honourable senator from St. John's (Hon. Mr. Baird) might ask that question later. I am sure he will support me in my contention that these benefits should be given to those who fought as fire fighters and who volunteered to serve during the war. These men would have gone to France to put out fires. They would have gone anywhere. They were not conscientious objectors—oh, no; far from it. I ask honourable senators why they should not receive the Canadian Volunteer Service Medal when others who were in no greater danger did receive it.

Of course, honourable senators, it is impossible for this house to go any further. To give the full benefits of a veteran to the fire fighters would require the expenditure of money, so our hands are tied. I do trust, however, now that the Government has gone this far that it will go all the way and will give these men who risked their lives, who volunteered to serve anywhere, at least the

same rights as those who served in less dangerous positions and who never volunteered for active service.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. White: Next sitting.

Hon. Mr. Reid: Is this bill not being sent to the committee? It is a new bill, and I have no doubt there are many questions that honourable senators have to ask. I am not objecting, but I am surprised that the honourable senator would ask to have it read the third time tomorrow.

Hon. Mr. Macdonald (Brantford): If the honourable senator from New Westminster (Hon. Mr. Reid) wishes the bill to go to the committee, I am sure there will be no objection.

On motion of Hon. Mr. White, bill referred to the Standing Committee on Banking and Commerce.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-68, to amend the Export Credits Insurance Act.

Bill read first time.

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine: With leave of the Senate, I move that this bill be placed on the Orders of the Day for second reading at the next sitting. This is a Government bill. Second reading should not take very long, and I should like it placed as No. 1 of the Orders of the Day for tomorrow.

Motion agreed to.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of Expenditures and Administration in connection with the Unemployment Assistance Act for the fiscal year ended March 31, 1961, pursuant to section 9 of the said act, chapter 26 of the Statutes of 1956. (English and French texts).

Report to Parliament of the Civil Service Commission on positions excluded in whole or in part from the operation of the Civil Service Act for the year ended December 31, 1961, pursuant to section 60(2) of the said act, chapter 48, R.S. 1952. (English and French texts).

Report of the Department of Public Works for the fiscal year ended March 31, 1961, pursuant to section 34 of the Public Works Act, chapter 228, R.S. 1952. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 14, 1962, pursuant to section 7 of the Regulations Act, chapter 235, R.S. 1952. (English and French texts).

Report of the Fisheries Research Board of Canada, for the fiscal year ended March 31, 1961, pursuant to section 15 of the Fisheries Research Board Act, chapter 121, R.S.C. 1952. (English and French texts).

PRIVATE BILLS

MUTTART DEVELOPMENT CORPORATION LTD.—FIRST READING

Hon. William R. Brunt presented Bill S-7, respecting Muttart Development Corporation Ltd.

Bill read first time.

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

SUN LIFE ASSURANCE COMPANY OF CANADA—FIRST READING

Hon. John M. Macdonald presented Bill S-8, respecting Sun Life Assurance Company of Canada.

Bill read first time.

Hon. Mr. Macdonald (Cape Breton) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

BROCK ACCEPTANCE LIMITED—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-9, to incorporate Brock Acceptance Limited.

Bill read first time.

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

GERAND ACCEPTANCE COMPANY—FIRST READING

Hon. Mr. Thorvaldson presented Bill S-10, to incorporate Gerand Acceptance Company.

Bill read first time.

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

PORTRAITS OF PRIME MINISTERS—COMMONS COLLECTION

INQUIRY

Hon. Jean-François Pouliot: Honourable senators, may I ask the honourable Leader of the Government (Hon. Mr. Aseltine) whether he has some information about the painting of the late Prime Minister Bennett?

Hon. Mr. Aseltine: I have not been able to get very far in this matter, but I am doing my best and I shall report to my honourable friend when I have any information that is really worth while.

Hon. Mr. Pouliot: I thank the honourable leader. If I may give him a pointer, I have been told that the painting is too modern in style to be hung in the corridors of this building.

Hon. Mr. Aseltine: I never heard that.

UNIVERSAL COPYRIGHT CONVENTION

MOTION FOR APPROVAL—DEBATE ADJOURNED

Hon. Gunnar S. Thorvaldson, pursuant to notice, moved:

> That it is expedient that the Houses of Parliament do approve the Universal Copyright Convention signed by Canada in Geneva in 1952 and Protocol 3 thereto, and that this house do approve the same.

He said:

Honourable senators, the Universal Copyright Convention was signed in Geneva on September 6, 1952, by eighty-six countries, including Canada.

It came into being under the auspices of the United Nations Educational, Scientific and Cultural Organization—UNESCO. It has now been ratified by thirty-nine countries, including the United Kingdom, the United States, France and the Federal Republic of Germany.

The introduction indicates the conviction of the contracting states that the proposed system of copyright protection is one which is "appropriate to all nations of the world" and which should be "additional to, and without impairing international systems already in force".

Article I sets forth the types of works which will be covered by the convention. These are, literary, scientific and artistic works, including writings, musical, dramatic and cinematographic works, and paintings, engravings and sculpture.

Article II sets forth the requirement that published and unpublished works of nationals of any contracting state, and works first published in that state, shall enjoy domestic protection in each other contracting state, and permits contracting states, for purposes of the convention, to assimilate to its own nationals any person domiciled in that state.

Article III provides that any contracting state which, under its domestic law, requires compliance with certain formalities as a condition of copyright shall regard these requirements as satisfied with respect to all works protected by the convention and first published outside its territory and the author of which is not one of its nationals, if from the time of first publication all the copies of the work bear the symbol "C" in a circle accompanied by the name of the copyright proprietor and the year of first publication, in a reasonably prominent manner.

Since 1896 Canada has been a member of the organization known as the Berne Union—the International Union for the Protection of Intellectual Property—and under the Canadian Copyright Act we have several bilateral arrangements including a treaty with the United States, as well as some other countries. The United States never was, and is not now, a member of the Berne Union.

Membership in the Berne Union, and under the provisions of these bilateral arrangements means that works of Canadian origin receive copyright protection in the member countries and in the countries with whom the arrangements exist, in return for reciprocal protection in Canada.

Tre question that arises is: If Canada is a member of the Berne Union, and is a party to these other bilateral arrangements, why should we become partners in the Universal Copyright Convention? The reason is to be found mainly in the fact that, especially in regard to our bilateral arrangements with the United States, there exist certain disabilities which are disagreeable to Canada but which will become nullified upon ratification of this convention.

First, however, let me summarize the effect of the Universal Copyright Convention.

The Universal Copyright Convention, in general terms, assures to an author who is a national of a member state, or who first publishes in that state, national treatment in each other member state. By "national treatment", I mean such treatment as is accorded

nationals of the state concerned under the domestic law of that state. The convention sets forth the types of works to which member states will guarantee protection, and stipulates the minimum periods for which such protection will be granted, that is, the "term" of protection. The convention provides that any member state which, under its domestic law, requires certain formalities, including printing in that state, registration, deposit, etc., as a condition of copyright, will regard such requirements satisfied with respect to the works protected by the convention first published outside its territory, and the author of which is not one of its nationals, if a specified simple formality is observed, namely, as I said a moment ago, that all copies bear a symbol—the letter "C" in a circle—and carry the name of the copyright owner and the year of first publication of the work.

I come now to the main reason for Canada's ratification. The principal advantage to Canada bears on the effect of such ratification on Canada's copyright relations with the United States. There are also some minor advantages, namely, in the wider international copyright affiliations which Canada will acquire, resulting in the protection of Canadian works in those member states to which Canada is not already bound by treaty or arrangement, and, of course, a reciprocal obligation on the part of Canada to grant protection to the works of authors of those states; also in the easing of formal requirements in those states whose domestic laws may contain more stringent demands in this respect.

Since 1891 the United States has had certain printing or, as they are alternatively called, "manufacturing" provisions in its act, and from 1909 its law provided that the owner of the copyright in a book or periodical first published outside the United States in the English language could obtain copyright protection in the United States for five years from first publication, but that if there was imported into the United States more than 1,500 copies of the work during that period the United States copyright ceased.

Honourable senators will observe that the United States "manufacturing" clause is a mandatory requirement of the United States law. It abolishes copyright protection on non-compliance, namely, if more than 1,500 copies of the work are imported into the United States during the five-year period, and and it has resulted in compelling the owner of copyright works in English to print them in the United States as a condition of enjoying copyright protection in that country.

The effect of these requirements of United States law on the Canadian printing and publishing industry is readily apparent. Any Canadian author writing in the English language, who anticipates an appreciable sale of his work in the United States, has his work published in that country to assure his copyright protection there. The Canadian printing and publishing industry is thus denied this business. Canadian authors, for their part, must compete with American authors for the attention and favour of American publishers; they may be required to accept contracts on less favourable terms than they might secure from a Canadian publishing industry, and are indeed in some danger of losing their Canadian identity.

It would appear, therefore, that it is very much in the interests of Canadian literature, of Canadian authors, and of the Canadian printing and publishing industry, that this measure be taken to make the manufacturing clauses of the United States copyright law inoperative so far as Canadian authors are concerned.

As honourable senators are no doubt aware, a few years ago there was appointed by the government of that day the royal commission on Copyright, the head of which was the Honourable Mr. Justice J. L. Ilsley, former Minister of Finance. That commission had the following to say in its report on this subject:

> The so-called "manufacturing clause" in the United States copyright law is another difficulty for Canadian printers and publishers. Under the terms of this clause, a book, periodical, or newspaper must be printed in the United States to enjoy full copyright protection there. Copies printed outside the United States are granted only "ad interim" copyright protection for a period of five years from first publication.

And this only on condition that not more than 1,500 copies are imported. And even if a work under *ad interim* protection is not printed in the United States within the five years, copyright protection ceases.

Quoting further from the Commission's report:

> The situation could be rectified immediately if Canada would ratify the Universal Copyright Convention, of which the United States is a member—and, indeed, to an extent the sponsoring nation. Immediate ratification would free Canadian authors, printers and publishers from the requirement to print in the United States within the five-year period, and would also permit them to export over 1,500 copies. Moreover, they would be relieved of certain other requirements respecting United States registration and notice.

It may be rather surprising that Canada should not have taken some steps prior to this time in regard to this obvious disability

of Canadian authors under United States law. However, it should be said that in 1923 we amended our Copyright Act by inserting therein certain manufacturing or printing clauses of our own, presumably to compensate for those in the United States law; but due to the limitations in taking such action, which were represented by Canada's membership in the Berne Union, the Canadian clauses were operative only at the discretion of the minister, and indeed these provisions, I am informed, were resorted to on only two occasions, and have not been generally applied. Consequently, they have been quite abortive as far as any attempt is concerned to deal with Canadian authors or their works in a manner similar to the method adopted in the United States in this regard.

There are three protocols attached to the convention, and the question arises as to the ratification of these as well.

Without going into detail as to the content of these protocols, I just wish to remark that only one of them, namely, the third one, is to be ratified at this time. The reason for the non-ratification of the first two is that they cannot be implemented without amendment to our legislation. Presumably, therefore, these will be ratified when a new Canadian copyright act is enacted.

In that regard, may I say that the Ilsley Royal Commission reported on the subject of copyright in various ways, as a result of which it is expected that a completely new copyright act will be introduced in Parliament in due course.

Consequently, it is proposed that protocol 3 of the convention be ratified now.

Honourable senators, I submit that it is in the interests of Canada to ratify this convention.

Hon. Mr. Wall: May I point out to the honourable sponsor of the bill that I do not recall receiving a copy of the Universal Copyright Convention, although I may have a copy somewhere in my file.

Hon. Mr. Thorvaldson: As far as I know, copies have been distributed to all senators.

Hon. Mr. Wall: Then I apologize. Could the honourable senator tell us when the United States ratified this convention?

Hon. Mr. Thorvaldson: My honourable friend (Hon. Mr. Davies) says 1954. It was signed in 1952.

On motion of Hon. Mr. Davies, debate adjourned.

PRIVATE BILL

COCHIN PIPE LINES LTD.—SECOND READING

Hon. John A. Buchanan moved second reading of Bill S-6, to incorporate Cochin Pipe Lines Ltd.

He said: Honourable senators, Bill S-6 is to incorporate Cochin Pipe Lines Ltd. The original petition was made by five residents of the city of Edmonton, all Canadians, the first three named being Ronald Banister, Jack Cressey and Olaf Johanson, who are all connected with Banister Pipe Line Construction Company. Ronald Banister is president and the other two are vice-presidents. The remaining two petitioners, Mackenzie Downey and John Prowse are both lawyers of the city of Edmonton and with others do the legal work for the Banister Construction Company.

The proposed company will be capitalized at four million shares of no par value, and it is believed that they will be offered at $1 per share.

The pipe line will be wholly owned and financed by Canadians and will be constructed for the purpose of carrying oil and oil products between the provinces of Alberta and Saskatchewan, initially. With an eye to the future, the company seeks powers that would enable it to construct a pipe line in the United States, if at some future time this should be required.

At the present moment the petitioners are preparing for a capacity demand in the exchange of oil products between the two provinces, which will replace some trucking of the products now being done, and they anticipate continued growth and demand which will justify a pipe line connecting the two provinces.

Honourable senators, I am not too familiar with all the details of this project, and I would prefer to have any information honourable senators may require given in committee, where the solicitors for the Cochin Pipe Lines Ltd. will be present to answer all of your questions.

Hon. Mr. Brunt: Will the honourable senator tell us the point of origin and the point of destination of the pipe line?

Hon. Mr. Buchanan: That is one piece of information I do not have.

Hon. Mr. Brunt: Have you any information on the capacity of the pipe line?

Hon. Mr. Buchanan: No, I have not that information either.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Buchanan, bill referred to the Standing Committee on Transport and Communications.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 21, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

PRIVATE BILLS

WESTMOUNT LIFE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-4, to incorporate Westmount Life Insurance Company, and had directed that the bill be reported with the following amendments:

1. Page 1, line 11: strike out "John" and substitute "James"

2. Page 1, line 16: after "Company," insert "and, in French, La Compagnie d'Assurance Vie Westmount,".

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Bouffard: With leave of the Senate, I move that the report be adopted now.

Report adopted.

Hon. Mr. Bouffard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce reported that the committee had considered Bill S-3, respecting the Mutual Life Assurance Company of Canada, and had directed that the bill be reported without amendment.

Hon. Mr. Vaillancourt: Honourable senators, may I point out that the explanatory note to the bill says:

> The sole purpose of this bill is to add a French version to the name of The Mutual Life Assurance Company of Canada.

The French translation given is "La Mutual Life, compagnie d'assurance du Canada". That is a bad translation.

The Hon. the Speaker: It is an American translation.

Hon. Mr. Vaillancourt: I think that is a "horse" translation.

Hon. Mr. Brunt: What kind of a translation?

Hon. Mr. Vaillancourt: A "horse" translation.

Report adopted.

Hon. Mr. Beaubien (Bedford) moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA

BILL TO AMEND—CONSTRUCTION AND PURCHASE OF BRANCH LINES IN MANITOBA—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation, and Bill C-48, respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bills.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hugessen: I move, with leave, that the report be adopted now.

Report adopted.

BILL TO AMEND—CONSTRUCTION AND PURCHASE OF BRANCH LINES IN MANITOBA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the

purchase by Canadian National Railway Company from The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Mr. Reid: At the next sitting.

Hon. Mr. Pearson: Honourable senators, I have no objection. I move that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation, and had directed him to report the same to the Senate with the following amendment:

Page 3, lines 16 to 20 both inclusive: Strike out clause 8.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hugessen moved that the repoirt be adopted.

He said: Honourable senators, I think perhaps the Senate should be given a short explanation of the amendment which the committee adopted this morning.

The amendment had relation to the matter which was discussed at some length in the Senate yesterday evening with respect to section 8 of this bill, which, as honourable senators will recall, exempted the Canadian National Railway Company from the requirement to fence any part of the right of way.

In several past instances provisions of this kind have been inserted in bills relating to railways to be constructed in completely unpopulated areas of the country, but the question was raised before the committee as to whether or not this particular railway goes through unpopulated areas of the country. The committee was advised that if section 8 was struck out of the bill the effect would be that, because the Railway Act requires railway companies to build fences and cattle guards along their prospective rights of way, it would become necessary for the company to apply to the Board of Transport Commissioners for permission not to do that. The board will give the company that permission if it finds that fencing is unnecessary. That, really, would be the only effect of striking this section out of the bill. The burden of proof that fences are unnecessary on this particular line of railway will be placed where the majority of the committee seemed to think it should be placed, namely, upon the Canadian National Railways. If there is, in fact, no settlement along the line then it will be quite easy for the railway company to obtain the necessary order from the Board of Transport Commissioners exempting it from the necessity of building fences.

I should add, perhaps, for the benefit of honourable senators who were not present at the meeting of the Committee on Transport and Communications this morning, that we were delighted to have the Minister of Transport present. He was very helpful to us, and he did not indicate any particular objection to the striking out of this section of the bill.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Buchanan: Honourable senators, in view of the fact that there is some urgency with respect to this measure, and because the bill must now go back to the other place, I move, with leave of the Senate, that it be read a third time now.

Hon. Mr. Reid: It is not often that an amended bill is read the third time on the same day it is reported out of committee. What is the urgency?

Hon. Mr. Hugessen: Perhaps I may be allowed to indicate to honourable senators the urgency in this matter—that is, unless my honourable friend from Edmonton (Hon. Mr. Buchanan) wishes to do so.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Buchanan, seconded by the Honourable Senator Blois, that this bill as amended be read the third time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Buchanan: Honourable senators, the explanation of the urgency is that if this line is to be built the company must start work on the construction of certain piers, and so forth, before the spring, and the sooner this bill is passed the better it will be for all concerned.

Hon. Mr. Hugessen: Perhaps I can support what the honourable senator from Edmonton (Hon. Mr. Buchanan) has said.

The officers of the Canadian National Railways told the committee this morning that they, and the company which is going to use this line, are anxious to have it completed within a year. An important part of the building of this railway is the construction of a bridge across a river, the foundations for which have to be laid before the river thaws, and there is a very short time in which to do that. If the bill is delayed and those foundations cannot be built before the spring thaw the company will have to wait another year. That seemed to the committee to be a reasonable explanation of the urgency.

Hon. Mr. Farris: Is the precedent for this Mr. Howe's famous bill?

Hon. Mr. Stambaugh: Honourable senators, perhaps I have been more responsible than anyone for holding up the passage of this bill. I now wish to support my honourable colleague from Edmonton (Hon. Mr. Buchanan) and agree to third reading now.

Motion agreed to and bill, as amended, read third time and passed.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 44 to 110, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—MOTION FOR SECOND READING—DEBATE CONTINUED

Hon. Fred. M. Blois moved the second reading of Bill C-68, to amend the Export Credits Insurance Act.

He said: Honourable senators, the purpose of this bill is to amend the Export Credits Insurance Act. The original act was given royal assent in 1944 and was first used in 1945. I do not think it is necessary for me at this time to go into the details of the original act, for it has been before this honourable house on several occasions and was amended during the sessions of 1953-54, 1957, 1957-58, 1959, and 1960-61.

The first proposed amendment in Bill C-68 is to subsection (1) of section 5, which at present reads:

> The corporation shall be under the management of a board of directors composed of the members of the corporation and not more than five other directors appointed from time to time by the Governor in Council, one of whom shall be appointed by the Governor in Council to be president and general manager of the corporation.

This subsection (1) is repealed and a new subsection substituted therefor, as follows:

> The corporation shall be under the management of a board of directors composed of the members of the corporation and not more than six other directors appointed from time to time by the Governor in Council, one of whom small be appointed by the Governor in Council to be president and general manager of the corporation.

The purpose of the amendment is to provide for an increase in the total number of directors from five to six. I am informed that the reason the Government is asking for an additional director is to make it easier for the board of directors to operate. As honourable senators no doubt are aware, the directors are all men holding key positions in various branches of the Government service, and from time to time it is necessary for them to travel throughout Canada and elsewhere.

At the present time the quorum of the board is four and for this reason the members often find it difficult to hold a meeting. As I have said, the Government feels that an additional director would help to ease the situation, hence this request for an additional director.

So that honourable members may be acquainted with the persons who head this corporation, and why they have to be away from time to time, I thought I should name the present members. The chairman is Mr. James A. Roberts, Deputy Minister of Trade and Commerce, and Mr. K. W. Taylor, C.B.E., Deputy Minister of Finance is a member. The directors are, Mr. H. I. Aitken, President and General Manager; Mr. A. F. W. Plumptre, C.B.E., Assistant Deputy Minister of Finance; Mr. L. C. Audette, Q.C., Chairman of the Tariff Board; Mr. Denis Harvey, Assistant Deputy Minister of Trade and Commerce; and Mr. A. E. Ritchie, Assistant Under-Secretary of State for External Affairs.

In addition, the board has an advisory council at the present time of 13 members—there could be 15 according to the act—representing industry from various sections of Canada.

It might be of interest to honourable senators to know just how this act has worked in practice. The Export Credits Insurance Corporation operates in two main fields. First it provides export credits insurance to

protect Canadian exporters against non-payment by foreign buyers and, secondly, it provides funds for long-term financing.

By the operation of section 14, there is provided a maximum liability of $200 million under which the corporation may take on risks for its own account.

Under section 21, there is an additional $200 million under which the Governor in Council may specifically instruct the corporation to provide insurance in cases where the board of directors is of the opinion that the contract would impose on the corporation a liability for a term or an amount in excess of that which the corporation would normally undertake. The risk involved in any policy issued under this section is carried by the Consolidated Revenue Fund.

Under section 14 of the act, during 1961 the board insured contracts of $65.6 million and, in addition, there was outstanding from preceding years, $66.3 million. The total amount of contracts insured from 1945 until December 31, 1961, was $640 million. Claims paid to date on these insured contracts amounted to $10.5 million. However, to offset this amount, more than $8 million of claim loss has been recovered and it is expected more will be collected. The total insurance premium collected on the $640 million insured contracts was $6.2 million. The operating expenses in this connection amounted to $1.8 million.

Under section 21 of the act, during 1961, the board insured $66.4 million, and the outstanding insured accounts from previous years amounted to $165 million. The total amount of contracts insured under this section to December 31, 1961, amounted to $415 million and the corporation has not paid one single claim.

It is not the intention of the corporation to subsidize exports, but neither is it trying to make a profit. In the long run the premiums should just about cover the operating expenses and net losses.

In June of 1961 the Export Credits Insurance Act was amended to provide a fund of $200 million under which long-term export financing would be provided to help Canadian exporters of capital goods compete on credit terms equivalent to those available from other capital goods exporting countries.

Canadian capital goods exporters, with this support, have been encouraged to seek orders abroad. To date, contracts involving exports of $41 million are in process of manufacture and shipping. This covers four purchase orders and, it is estimated, will provide over 5.7 million man-hours of work. In addition, $31 million of contracts have been guaranteed and are, or soon will be, in production. In addition to the $41 million of contracts in production or shipped and the $31 million which have been guaranteed and are now in process of production, $114 million of contracts have been approved in principle. That is, the Government is willing to guarantee these contracts if and when the exporter comes along with properly signed export orders. Thus we see that out of $200 million available a total of $186 million has been committed, leaving an uncommitted balance of only $14 million.

It should, I think, be noted that Government export financing for capital goods sold on extended term credit is available to help exporters compete for foreign business requiring credit terms longer than five years. Such long-term financing for exports is not usually available from banks or other commercial sources.

The Export Credits Insurance Corporation, under section 21-A of the act, deals directly with the Canadian exporter. It is the exporter himself who develops the foreign business and negotiates the financing arrangements with the corporation. Payments for the equipment are made direct by the corporation to the exporter just as if the foreign buyer had made a cash purchase. The Canadian exporter has no finance charges to absorb. The foreign buyer is the effective recipient of a Canadian credit and liable for repayment plus interest. The rate of interest applying will conform closely to the prevailing rates charged by international lenders such as the World Bank. The present rate, I understand, is approximately six per cent.

It is my understanding that Canadian exporters of capital goods have under consideration at the present time further export orders of more than $100 million for long-term financing under section 21-A, provided funds for this purpose are made available. I understand the negotiations have advanced to quite an extent and that a number of exporters have gone as far as they can until they can be assured that the money would be made available to them. It is now proposed by this bill to amend the Export Credits Insurance Act, that the $200 million ceiling for long-term export financing under section 21-A be increased by $100 million to $300 million.

Hon. David A. Croll: Honourable senators, I have no objection to the bill for what it appears to do. The increase in the number of directors is an acceptable and, I assume, a necessary addition. The additional funds, as the sponsor of the bill (Hon. Mr. Blois) has indicated, is necessary at this time, so of course I have no intention of objecting to it. As a matter of fact, the Export Credits Insurance Act is a good one. It was passed in 1944 by a very good government. However, there are a few things the sponsor did not

mention, since this bill embraces the question of export permits for Cuba, China and others. I have a few remarks to make with respect to the Cuban situation, and that raises the question of administration and interpretation.

Hon. Mr. Blois: Will the honourable gentleman allow me to intervene? If he would care to ask a question on the Cuban situation, perhaps I could answer him and it might save a lot of time. I have the information at my finger tips.

Hon. Mr. Croll: Perhaps as a result of what I say there will be an opportunity to give the information to a committee, but I shall make some observations while I have the floor.

May I remind honourable senators that on December 13, 1960, I spoke in this house on the matter of Cuban trade, in the debate on the address in reply to the Speech from the Throne. As appears at page 158 of Senate *Hansard* of that date, I had this to say:

> ...in our eagerness to bolster export trade Canada is strengthening the hand of a régime which has brought communism to Cuba and helped establish a red beachhead which could be used as a missile base and from which could be launched a direct assault on the North American mainland by the enemies of Western democracy. There is in Cuba today a red Castro dictatorship.

I repeat that I said this in December 1960. I went on to say:

> ...our willingness and eagerness...to sell to Cuba many of the goods formerly sold by the United States and now subject to embargo is a revolting example of a philosophy of anything for a fast buck. The United States is in trouble, not only in Cuba but in Latin America, and our reaction is to look for a profit out of our neighbour's adversity.

I am not sure how many people at that time agreed with what I had to say—I hope more than indicated did agree—but to the knowledge of everyone since that time Castro has openly thrown in his lot with the communistic world, and his acceptance of foreign domination has created in Cuba a situation which should be of the gravest concern to us. His subordination to the Soviet bloc has created a dangerous situation which we should not lightly turn aside. I bring as my witness the very best that I could possibly bring before the Senate—at least, from the point of view of those sitting to the right of His Honour the Speaker—the Prime Minister. I shall read from a report in the *Globe and Mail* of April 20, 1961—some four or five months after I had made my speech—which contains what the Prime Minister said.

> Prime Minister John Diefenbaker, appearing to align himself firmly with U.S. views, charged today that Cuba has become a bridgehead for international communism from which the penetration of all Latin America could be launched.
>
> He said Canada had neither the means nor the intention to intervene. But he felt that "in our country we cannot be indifferent to this new danger which affects the hemisphere in which we live.
>
> It is now all too clear that the situation in Cuba is much more than a continuation of the original internal revolution which was to a large extent an expression of the legitimate social and economic aspirations of the Cuban people", Mr. Diefenbaker told the Commons.
>
> "Cuba, like so many small and defenseless countries, has become the focal point in the ideological contest which is progressively reaching into every corner of the world."

The article goes on to say:

> The statement, in reply to a question by Opposition Leader Lester Pearson, reflected, if not a changed attitude on Canada's part, at least an increased awareness of developments in Cuba, a growing Canadian apprehension that was crystallized by Soviet Premier Nikita Khrushchev's threat of intervention in the current Cuban counter-revolution.
>
> Previously Canada had often appeared removed from the United States view that the Cuban revolution had turned communist and threatened repercussions far beyond the island's borders.
>
> "The struggle between the contending groups, has taken on a new and more threatening aspect with the dispatch by Chairman Khrushchev of a message which revealed beyond doubt the extent to which international communism is prepared to go in consolidating its foothold in Cuba," Mr. Diefenbaker said. "The interests of the Cuban people have been subordinated to the interplay of outside forces beyond their control."

That is not the full statement of the Prime Minister, but it is the end of my quotation at the moment. You may find it a little unusual to learn that someone on this side of the house agrees with the Prime Minister, but that is the situation, and I call it to your attention because it is unusual.

May I at the same time remind honourable senators of something that is on record,

a statement not likely to be soon forgotten, made by the Minister of Trade and Commerce, the Honourable Mr. Hees, when just about the time I made my speech in this house he said, "We cannot do business with better businessmen anywhere."

Now, the United States is very disturbed about this whole situation, but it is still talking to us in diplomatic language. Mr. Arthur Schlesinger Jr., Special Assistant to the President of the United States, spoke on Cuban trade in Vancouver just recently. He did not mention Canada, but he did say that any support of the Castro régime is a threat to democracy. He was careful to be both polite and gentlemanly, but he indicated to this country—as I say, in diplomatic language—that there were more dangers than dividends involved in our present policy. The Secretary of State, Dean Rusk, in February, when asked about Canadian trade with Cuba said, "That is something we will take up."

I say to this house that this business is creating friction with the United States.

Hon. Mr. Blois: If the honourable senator is suggesting that the United States Government is not going to deal with Cuba, he is wrong. It sold to Cuba more than three times what Canada did. So I cannot follow him.

Hon. Mr. Croll: I will get to that in a little while. What I am saying is that in continuing this present Canadian trade with Cuba policy we are asking for trouble. As I read the Canadian conscience, and I have had a little practice at it—

Hon. Mr. Thorvaldson: What policy is the honourable senator speaking of?

Hon. Mr. Croll: You will find out in due course.

I was about to say that I believe that Canadians are troubled with the kind and volume of our trade with Cuba.

It is a matter of public knowledge that we have sent to Cuba 125 tons of dynamite—call it blasting powder, if you will, but dynamite is what it is. It is a matter of public knowledge that in the last year $2 million worth of industrial commodities were sold to Cuba, consisting in part of sheet and strip metal, transformers, industrial chemicals, aircraft engines and parts. And we say we do not sell any strategic materials. Well, as I read the definition of strategic material, it is capable of being used for military purposes. You can call dynamite Cuban porridge but it is still dynamite, and I do not know anything that is more strategic than dynamite.

Hon. Mr. Aseltine: They have to build roads down there.

Hon. Mr. Croll: Of course.

Hon. Mr. Aseltine: And they have to use dynamite in building them.

Hon. Mr. Croll: Yes, but it can also be used for other purposes.

Hon. Mr. Thorvaldson: Blasting powder is not dynamite, surely.

Hon. Mr. Croll: Of course it is dynamite, and the fact that we label it "Not to be used except for blasting roads" does not mean that that is the purpose for which they are going to use it.

The increase in Canadian trade with Cuba, I repeat, must bother most Canadians. With the sole exception of Canada, general trade between the NATO countries and the Castro régime has been drastically curtailed since 1960. I give you these figures, and they are available:

Imports from Cuba of the eastern members of the Atlantic alliance declined from $66,720,000 in 1960 to $24,920,000 last year. Canada's imports from Cuba rose from $7,440,000 to $8,828,000.

Hon. Mr. Beaubien (Bedford): What is one million?

Hon. Mr. Croll: In the same period exports to Cuba from European countries of the Alliance declined from $69,600,000 to $35,880,000. Canada, on the other hand, has increased her exports from $13,800,000 in 1960 to $32,100,000 last year. In the first nine months of 1961 it was at $21,500,000—three times the figure for the first nine months in 1960, which was $7,502,000.

I for one, and I hope others share this view, do not feel comfortable in having this country linked with communist countries as Cuba's principal suppliers. It is hard to deny that we have profited at our neighbour's expense. What is more, there is a moral position involved when a declared communist state in this hemisphere is our beneficiary.

We too have a responsibility to prevent the spirit of communism in this hemisphere, and so I think the time has come for us as a country to re-examine our position. We must have the courage and the honesty to change our course. It takes courage to say no, but it is time for the politics of courage. Everybody cannot be out of step except Canada.

I know that I cannot prevent the Canadian Government from making mistakes, but I can try, and it is my duty to point them out. I know that we will persevere as a nation despite these mistakes, but it would be a lot easier if we did not make them.

I said earlier that the Honourable Mr. Hees, Minister of Trade and Commerce, made certain statements, one of which I quote:

> They are wonderful customers. You cannot do business with better businessmen anywhere.

Those are his words.

A further statement was made in this chamber subsequent to the time I made my speech, and I quote the words of a member of this house:

> Canada has no quarrel with Cuba. If the foreign policy of our neighbours to the south has landed them in the present position with Cuba, then why should we penalize a Canadian producer by preventing him from seeking a very convenient market?

I quote a further statement, one emanating from the Department of Trade and Commerce:

> It is time the Americans learn that they cannot dictate Canadian Government policy in Washington.

Well, honourable senators, let me say that there are far more important issues at stake than salesmanship and economic advantages and anti-Americanism. It is clear that the communists, through the Castro Government, intend to try to spread their ideology to other Latin American countries, by force if necessary, and Castro has said so. Should any of these attempts succeed, Canada, as well as the United States, may wake up some day to find herself faced with one or more communist governments on her front steps. It is not in our best interest to assist in building up a communist régime from which may be launched subversive activities against the mainland of America. When our security is involved surely trade takes a secondary position.

It is not a matter of pleasing or displeasing Washington—I could not care less—it is simply a question that we must ask ourselves, what is best in our long-term interest. Cuba is not our number one problem. The big problem is in keeping communism from expanding from its Cuban bridgehead, in student and other movements, among the peasants, and in government bureaucracies where it can take over the government.

It is a matter of public record that some South American countries are in very precarious positions, and not being a Cabinet minister I won't name them.

In the great fight against communism we should do more than talk about being opposed to it. We should be pulling our weight alongside our neighbour. Thus we must review our trade relations with Cuba. Geographically, Cuba is in the heart of the Americas; politically, it belongs in the Russian orbit, and Castro's ideas are for export. I think the time has come when this Government should take a good hard look and review its Cuban trade policy before it leads us into real trouble.

Hon. Calvert C. Pratt: Honourable senators, I should like to pass a few remarks on this bill, with particular reference to the general application of the export credits insurance, and not with respect to the proposed amendments which are set up to provide for special circumstances by way of government-to-government transactions, and government long-term financing of capital goods and so forth. These matters have been clearly explained by the honourable senator who so very ably moved second reading of this bill.

This corporation was set up in 1944 for the particular purpose of assisting in the general export trade of Canada. It has continued through the years in a moderate manner, not taking a particularly prominent part in the facilitating of the export business generally, but nevertheless, it has served a useful function. The funds that were available for this corporation in the normal trend of its operation were not required in very large amounts because, obviously, being an insurance corporation, while it has to operate with a fair equity and security for the insurance, its premium income is designed to balance out the losses under normal conditions.

I believe we need a much more active policy with regard to export credits insurance as applied to promotion of general trade. I am not referring to this special financing that has evolved in recent times through intergovernmental transactions, and so forth, but the need for more facilities for the expansion of the export trade through insurance. I know that the plan provides for industry to take up 15 per cent of the exporting credit risk while insurance takes up 85 per cent. In England the coverage runs from 85 to 95 per cent of the risk. While our policy in that respect is a little more conservative, I do not think it is a very discouraging factor in the general functions of the organization.

In other countries—and I shall refer particularly to England because in the past I have been in touch with her operation—there is more flexibility in the national corporation accepting risks from industry than there is here in Canada. To get this insurance coverage here an export corporation has to pass all its risks through the organization for insurance. It is true that exceptions will be made. Where particular circumstances arise in one market or another the insurance corporation will consider whether that rule shall apply or not. But, as a general rule, an exporter has to submit the total value of his exports to the corporation to obtain insurance

coverage. In England they allow the insurance to be arranged as to separate markets or groups of markets. That is, if an exporting company is sending its products to ten different countries abroad, the company may say that it has special terms and conditions relating to one country or another where it does not wish the insurance to apply. In England the arrangement has been more flexible than has been the general practice here.

Figures have been quoted as to the amount that is outstanding and is involved in coverage. In Canada, while we recently had big figures involved because of special deals—not in the course of ordinary export trade—the sum total of insurance that is carried on our normal commercial exports only amounts to 2.6 per cent of the total of such exports, and that is after eleminating exports to the United States.

During 1960 the total value of Canadian exports was $5,395 million, and of that amount exports to the United States were valued at $2,934 million. It is a matter of correct policy that this insurance as applied to exports from Canada does not apply to shipments going to the United States, because they have their own facilities which are of general application in industry, and the placing of credit insurance here would be unnecessarily competitive.

Hon. Mr. Blois: I bow to the greater knowledge on this matter of the honourable senator from St. John's West (Hon. Mr. Pratt), but I do not think that his last statement is quite correct. I believe he said that we did not give any insurance coverage on exports to the United States. I wish to correct that statement by saying that during 1961 the annual risk underwritten on sales to the United States amounted to $1,438,540.

Hon. Mr. Pratt: $1 million-odd?

Hon. Mr. Blois: Yes, $1,438,540.

Hon. Mr. Pratt: There may have been some exceptions made, but I believe the general policy is not to apply insurance coverage to shipments to the United States.

Hon. Mr. Blois: I think it is available, if asked for.

Hon. Mr. Pratt: What I state has been the general policy, and it will be found in the reports that it is a policy that should not apply in the general way.

Hon. Mr. Blois: Short-term credit can be obtained from other sources. Exporters do not ask for it but it is available to them.

Hon. Mr. Pratt: Yes, they can get it from other sources for that purpose.

With regard to the general application of the organization in Canada, in 1957 there were only 190 exporters who used the services of this organization, and the directory of exporters showed a total of about 3,000 classed as exporting firms in Canada. Of those 3,000, only 190 used these facilities. The list of countries contained in the report is impressive. There are shipments insured to 91 countries, but that figure is not quite as impressive as it sounds because in the case of 44 of those countries the amount insured for the year is less than $100,000.

I should like to make a further comparison between the use of the organization in Canada and elsewhere, and I shall refer again particularly to the United Kingdom. In 1960 the amount of insurance carried under the United Kingdom plan, which is similar to this one, amounted to £742 million. These are classified as commercial risks. When making this comparison I am referring to commercial risks in Canada.

The commercial risks sales from this country in 1960, which were insured, amounted to $63,457,000. The United Kingdom's insured amount represented about 20 per cent of their total exports; with regard to Canada, and eliminating what is exported to the United States but taking into account world-wide figures, the figure is about 2.6 per cent. This has some significance with regard to the point I wish to make. In 1957 the percentage of credit insurance to exports in the United Kingdom was between 8 and 12 per cent. By 1960 that figure had increased to 20 per cent, revealing that there is a very strong trend in that direction. That trend is exhibited throughout the world in the development of export trade. It is most important because credits are becoming more essential than ever before in facilitating trade abroad. At home no one even wants to defend the constant increase in consumer credit buying, and so on. That is a world trend, however, and, whether we like it or not, we have got to remember it is there. By limited use of available export credit insurance our exporters do not fit into that picture generally, and they fall behind the exporters in the progressive exporting nations, who are giving their customers longer terms of payment, and so forth.

The businessman of a few years ago felt he was conducting his business along good sound lines when he had bankers' credits and sight drafts against documents for all export sales. I hope a good measure of that policy will continue, but one thing we can be sure of is that that policy is not growing. It is decreasing. I would like to see—and this is the only reference I shall make to it this afternoon—more flexibility brought into the application of export credits insurance in Canada. I am not putting all the blame

for lack of flexibility on this corporation. I place some of the responsibility upon the exporters of Canada.

There is a lack of appreciation generally on the part of the exporters of Canada of a need for more development in this line, and I think this corporation should publicize its services more. It should advertise to the trade of Canada more than it seems prepared to do. It should also consider more forms of flexibility so that in the future greater use will be made of its services in financing world exports.

Hon. Arthur W. Roebuck: Honourable senators, I should like to add a word of comment in connection with what my deskmate Senator Croll has said to the house this afternoon. I congratulate him upon his statements, and for having done what I think is a public service in bringing this matter to our attention.

My mind goes back, honourable senators, a number of years in this connection. What I am going to say has no political significance because what I shall refer to was done when a Liberal government was in office.

I think back to the time when we shipped scrap iron to Japan. It is a long time ago now, but that scrap iron, honourable senators, was shipped back to us. It was shipped back to the Americans at Pearl Harbour, and it was shipped back to us at Hong Kong. It was, of course, not dynamite. The shipping of scrap iron was a purely commercial proposition. Apparently it had no military significance at all. However, we were shipping it to possible enemies at that time, and we knew they were. They are not enemies now, but they were then; and we certainly sold to them material which was later used against us and our allies.

I say that the Government of today should be exceedingly careful, and our Canadian trading interests should not be too anxious to make a quick profit in matters of this kind, because it is possible that dynamite might come back to us or, which is even worse, it might go to the best neighbours any small country ever had—our good neighbours to the south.

On motion of Hon. Mr. Thorvaldson, debate adjourned.

CHILDREN OF WAR DEAD (EDUCATION ASSISTANCE) ACT

BILL TO AMEND—THIRD READING

Hon. George S. White moved the third reading of Bill C-65, to amend the Children of War Dead (Education Assistance) Act.

Motion agreed to and bill read third time and passed.

UNIVERSAL COPYRIGHT CONVENTION

MOTION FOR APPROVAL—REFERRED TO COMMITTEE

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Thorvaldson:

> That it is expedient that the Houses of Parliament do approve the Universal Copyright Convention signed by Canada in Geneva in 1952 and Protocol 3 thereto, and that this house do approve the same.

Hon. W. Rupert Davies: Honourable senators, as this is the first time I have spoken this session I would like, first of all, to welcome the new senator from Newfoundland (Hon. Mr. Hollett) and compliment him, and the mover of the motion for an address in reply to the Speech from the Throne (Hon. Mr. Méthot), on their excellent speeches. I hope neither one of them was as nervous as I was when I performed that function twenty years ago.

I would like, also, to compliment the Leader of the Government (Hon. Mr. Aseltine) on his being appointed a Privy Councillor. It is an honour which was well deserved, and one that could not have been bestowed upon a nicer man or a more popular member of the Senate. My only regret is that that appointment did not carry with it a seat in the Cabinet.

Honourable senators, I am strongly in favour of the ratification of the Universal Copyright Convention, and I believe that all members of the Liberal Opposition are also in favour of its ratification. I am not quite sure why I was chosen by the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) to speak first for the Opposition on this question. It might be because I am a newspaper publisher, or because I have an author in the family or, on the other hand, it might be because of the fact that the honourable Leader of the Opposition lives in Brantford where I have several relatives and the secret has leaked out that I have written a book and that he, therefore, looks upon me as an author.

The truth is, honourable senators, that I have written a book. I have just finished it after working on it for two years. I am happy to say that it will not be affected by the Copyright Act.

This book, I am afraid, will be of little interest to members of the Senate, but I am glad that I have taken the time, and made the effort, to write it. I have written it because I am proud to be a citizen of Canada, and because I am grateful for the opportunities which Canada affords its immigrants.

The name of my book, honourable senators, is *Far-Off Fields,* and it deals with the emigration in the 1890's of three inter-related

families from Wales. In it I have set down for my grandchildren and my great-grandchildren—I already have two—and for the grandchildren and great-grandchildren of other members of the family, all the reasons why our family emigrated, the difficulties which were encountered when we first arrived in Canada, and the opportunities which opened up to all of us as the years went by. I want our descendants to know all about our coming, and I want to impress upon them that success in Canada is not achieved by leaning on social security but by working hard and saving money. There is no better country in the world than Canada in which young men and women can succeed if they are prepared to work hard.

I do not want to bore you, honourable senators, but I would just like to say that our families left Wales because the Welsh agricultural depression of the 1890's had made prospects for young people in the towns and rural areas very poor. There were nineteen boys and girls growing up in these three families, and of the heads of the families one was in the grain business, one was a farmer and the other was in the clothing business. They were all doing very badly, indeed. The prospects were very bleak, so out we all came to the land of promise.

Unfortunately, times were not too good in Ontario when we arrived. It was hard for a man to get work in the city of Brantford. Men were working there for $4 or $5 a week. However, the young people did not have much difficulty in becoming absorbed into business. Two days after I arrived in Canada I started to work at a salary of $1.50 a week, and I thought that was wonderful. I was delighted to get such wages. During the first year, honourable senators, we had a very hard time but we got along. I had always wanted to learn the printing and newspaper business. Before we left our old home town my father took me up to the local newspaper office, and told the proprietor that I was anxious to learn the business and asked if there were any vacancies. The proprietor told my father that he had a vacancy for a young apprentice. My father asked the terms and he was told that the indenture was for seven years, and the cost would be £7 per indenture. I listened to this, and although I was only a boy I spoke up and asked, "What wages will I get, Mr. Rowlands?" Mr. Rowlands said: "Wages?"—one would have thought I had said a dirty word—"We do not pay you any wages. We are going to teach you the trade. There will be no wages for the first six years, but if you turn out to be a good printer after that time we will give you a shilling a week".

I did not know anything about business, but I certainly was not going to work for a shilling a week after six years of learning, so I ran away home. I knew I would receive a severe reprimand when my father arrived back home. I was brought up in a Wesleyan Methodist home—not a Methodist home, but a Wesleyan Methodist home—and I knew I would be severely reprimanded for having dared to interfere when two men were talking. I should not have dared to interfere. However, I ran home, and I did not go to work for nothing for six years and one shilling a week in the seventh year.

To come to the Universal Copyright Convention itself, this convention affects all Canadian authors, and I should like to say a word or two about a few of them. The convention also affects book publishers, but newspapers not seriously.

As we all know, Canada has produced, down through the years, a large number of first-class authors. Unfortunately, however, they have not all remained in this country. The market for books is limited here, and the copyright problem has up to now made publication in the United States very difficult. Nevertheless, some of our able authors have remained in Canada and have written exceedingly well about our country. We have had biographies of Canadian statesmen written by able Canadians. We have also had some fine Canadian novels written by such men as Ralph Connor, which is a pen name, of course; Hugh Maclennan, and Thomas H. Raddall of Nova Scotia.

I do not want to go too far back but I should like to mention a few of our outstanding authors who left this country in the early part of the last century. Sir Gilbert Parker was one. He was born in Belleville, Ontario. He gave us many fine novels. I recollect well reading as a boy his *Pierre and His People*, short stories about the North West Mounted Police. Next came *When Valmond Came to Pontiac;* then *The Seats of the Mighty*, which many consider his greatest novel; and later, that most interesting book, *The Power and the Glory*, which I thought was even finer than *The Seats of the Mighty*.

Sir Gilbert Parker first entered the Church as a curate. He went to Australia but found his way to England a few years later where all his books were originally published. I had the pleasure of meeting Sir Gilbert when he came to Canada as one of the delegates from Britain to the Empire Press Union Conference in 1920, held in these Parliament Buildings which were then not quite rebuilt following the fire which destroyed the original building.

In the first decade of this century, too, about a half-dozen Canadian authors formed a little colony in New York. I cannot remember all the names but I recollect three of them. They were Arthur Stringer, who came

from Kent County and had made a name for himself with his first novel, *The Silver Poppy;* Norman Duncan of Brantford, and Arthur E. McFarlane. When Mr. McFarlane's first story was published in *The Saturday Evening Post* the editor announced that it was the finest short story that had ever been published in that magazine. The city of Brantford, so ably represented in this chamber by the honourable Leader of the Opposition (Hon. Mr. Macdonald), has given to Canada a number of authors. In addition to Norman Duncan there was Sara Jeanette Duncan, who wrote a number of novels. So far as I know, these two novelists were not related but each made a fine contribution to literature. Norman Duncan published a number of books, the best known of which is *Dr. Luke of the Labrador.* Sara Jeanette Duncan, after a brief career in this country as a journalist, married the curator of the Indian Museum in Calcutta, India, and went to India to reside. Many of her books were written and published there.

Other authors who could call Brantford their home were Pauline Johnson, daughter of an Indian chief who lived on the Grand River, and T. B. Costain. Pauline Johnson gave us a number of fine poems, her finest being "The Song My Paddle Sings". She published her first book while living at "Chiefswood" on the Grand River just outside Brantford; and I am proud of the fact that as a young printer I helped set up the type on some of those poems she published.

T. B. Costain, who was a boyhood schoolmate of Senator Taylor of Norfolk at the Brantford Collegiate, later joined the Brantford *Courier* as a young reporter. I was working on the *Courier* at the time as a typesetting-machine operator, and he and I used to write short stories and exchange them and appraise them. After a journalistic career in this country Mr. Costain went to the United States and was for many years editor of *The Saturday Evening Post.* Today, "Bert", as he is known to his old friends, is a writer of best sellers in the United States. He lives in New York in the winter and at his country home in Connecticut in the summer. Mr. Costain has just published *The Plantagenets,* the fourth volume of a history of England which he is writing and which started with the volume called *The Conquerors.* It is a well-known fact that when T. B. Costain, the former Brantford boy, writes a book, the sales are estimated at over 100,000 copies.

In speaking of Canadian authors, it is very pleasing to note that today, in the opinion of the Canadian literary world, our leading poet is Dr. E. J. Pratt. Dr. Pratt is the brother of Senator Pratt of St. John's West, Newfoundland—

Hon. Senators: Hear, hear.

Hon. Mr. Davies: —and he has made quite a name for himself by his beautiful poetry.

Now to come back from these digressions to the Universal Copyright Convention, which I am supporting. Last evening we had a complete survey of the convention by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson). He explained it in detail. At this time I would like to make a few observations with regard to some features of the convention, and I hope they will not seriously overlap what was said by the honourable senator from Winnipeg South but rather serve to emphasize how important it is that the Parliament of Canada should ratify this convention. In addition to studying it, I have talked to two or three publishers and several authors about the matter.

The Universal Copyright Convention was signed by Canada in 1954, as the honourable senator from Winnipeg South has told us, but up to the present time there has been no ratification.

In general, as I see it, the object of the resolution is to provide full copyright protection for Canadian literary works entering the United States, and this will be a departure from the situation now existing whereby Canadian books and periodicals must be printed in the United States in order to be fully copyrighted and protected in that country.

This difficulty arises, in part, because of section 16—usually referred to as the "manufacturing clause"—of the United States Copyright Act of 1909.

In general, that clause in the United States act requires that books and periodicals in the English language must have their type set and must be printed and bound in the United States. If a Canadian, for instance, does not fulfil the requirements set out in section 16 he obtains no protection in that country, and it is undoubtedly true that by joining the Universal Copyright Convention Canada will relieve its authors and publishers of this liability.

There is, as the honourable senator from Winnipeg South has told us, a qualifying clause allowing 1,500 copies to be sold in the United States under certain conditions.

The historical background of the convention is very difficult for a layman to clearly understand. There was established at Berne, Switzerland, in 1886 the Berne Union, or International Copyright Union, open to all states of the world under Article 2 of the Berne Union. The main principle set up was that persons in each country adhering

to the union were to enjoy advantages conferred on nationals under local law. The duration of protection, however, in any one country could not exceed the term of protection provided in the country of origin.

The Berne Convention has been revised several times as follows:

(a) The Berlin revision of 1908 defined literary and artistic works more carefully; for instance, works of photography were included. It was provided that the minimum period for duration of copyright would be the life of the author plus fifty years, subject to such contrary regulations as each country might enact.

(b) Another conference of revision was held in Rome in 1928. Under this revision oral literary works such as lectures, addresses, etcetera, were included among the works protected.

In general the consequences of the Rome Convention were as follows:

1. No author of an unpublished work is guaranteed convention rights in his own country.

2. An author native of a country belonging to the union who first publishes in a union country other than his own receives national treatment in that country and national treatment plus the benefit of convention rights in other union countries including his own.

3. An author who is a national of a union country and who first publishes in his own country enjoys no convention rights in his own country.

(c) The third revision was declared in 1948 at the so-called Brussels Convention. This included cinemas in the definition of "literary and artistic works". Canada signed this convention but did not accede to it.

The second general declaration is the Universal Copyright Convention propagated in 1952 pursuant to the Universal Declaration of Human Rights.

The United States subscribes to the view of the Universal Copyright Convention but it is not a member of the Berne Union.

The Universal Copyright Convention has, in general, a codification different from previous codes. Minimum standards are created. The duration of the copyright under the convention was to be no less than the life of the author plus twenty-five years or twenty-five years from the date of first publication. It will be remembered that under the Berne Convention, life plus fifty years was stipulated. Under Article 17 of the Universal Convention it is stated that the treaty shall in no way affect provision of the Berne Convention.

Now something as to Canada's position in international copyright: The first Canadian Copyright Act was enacted in 1875 and it provided for registration of copyright in favour of persons domiciled in Canada, or in any dominion, or who were citizens of a country having a copyright treaty with the United Kingdom, but the author had to print and publish in Canada.

The 1875 Act was followed by the Copyright Act of 1921 wherein it was enacted that Canada should join the Berne Union. In general, up to the present Canada has followed the provisions of the Rome Convention of 1928 to which I have just referred.

As we have been told, in 1954 a royal commission, under the chairmanship of the Right Honourable J. L. Ilsley, was appointed to study legislative problems in the area of intellectual and industrial property. Copyright was examined because, although Canada had signed a Brussels revision of the Berne Convention in 1948 and Universal Copyright Convention of 1952, in 1954 her adherence to these treaties had been delayed pending the recommendation of the royal commission.

The commissioners concluded that Canada should not adhere to the Brussels Convention for a number of reasons, and suggested that Canada ratify the Universal Copyright Convention so that Canadian authors could secure copyright in the United States without having to comply with American formalities and manufacturing requirements.

The commission recommended that the term of copyright protection be changed from "life plus 50 years" to "publication plus 56 years."

Coming to more recent developments, the Royal Commission on Publications—known as the O'Leary Commission—recently released, comes out strongly for the ratification of the Universal Copyright Convention, stating that immediate ratification would "free Canadian authors, printers, and publishers from the requirements to print in the United States within the five-year period and would also permit them to export over 1,500 copies."

As the honourable Senator from Winnipeg South (Hon. Mr. Thorvaldson) told us, these references to the five-year period and the 1,500 copies are because of the existence of the previously mentioned "manufacturing clause" in the United States copyright law.

The Canadian Authors Association is heartily in favour of ratification of this convention and has for some years made strong and continued representations to the federal government with respect to this matter.

The Canadian Authors Association also feels that Canada should bring its domestic copyright law up to date as soon as possible. In general, the association is of the view that any new copyright law should include the following provisions:

(a) Canada should be able to adhere to the Brussels revision of the Berne Convention in 1948, thus continuing the present fifty years after death term of copyright.

(b) The new legislation should, in the association's view, cover protection for such recent mechanical developments as long-playing records, radio and television performances, etc.

(c) In general, it should answer that Canadian authors would possess the fullest possible world wide rights to their intellectual properties.

As every senator knows, the ratification of the Universal Copyright Convention was recommended by the Ilsley Commission. It has been ratified by the United States and also by the United Kingdom.

The ratification by Canada will, in my opinion, be a definite step forward in the interests of both authors and publishers. But the Canadian publishers may still feel they have a grievance, in that an American who publishes a book in Canada cannot also publish it in the United States unless it has the American edition put into type and printed in that country. It may be that we are progressing slowly in this matter of copyright. I do feel, however, that we should all support the ratification of the Universal Copyright Convention at the present time. We have been slow in doing so, but when it is ratified the Government can then deal with other copyright grievances which the authors and publishers are urging.

Hon. Mr. Roebuck: May I ask the honourable senator a question? I have listened with keen interest to his description of the copyright situation. Am I to understand that if we ratify this convention a book written, published and printed in Canada could be sold under protection in the United States?

Hon. Mr. Davies: A book written, published and printed in Canada, could, if this convention is ratified, be published in the United States; but an American could not have a book printed and published in Canada and also in the United States unless he had the type set and the book bound and published in the United States separately.

Hon. Mr. Macdonald (Brantford): Both the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) and the honourable senator from Kingston (Hon. Mr. Davies) stated that this Universal Copyright Convention is a complicated document. In addition, they have referred to the Berne Convention and to the Brussels revision of the Berne Convention; reference has also been made to our own Copyright Act, which must be amended. I think most honourable senators will agree with me that this is quite a complicated matter we are considering today.

In the ordinary course of events, a resolution of this kind would be sent to a committee. I do not know what provision there is for doing so, but it might be useful if this convention were referred for consideration to the Standing Committee on External Relations.

Hon. Mr. Thorvaldson: I see no reason why it could not be sent to a committee. If it is the desire of the house to do so, I would suggest that it be referred to the External Relations Committee.

Hon. Mr. Macdonald (Brantford): I intended to move the adjournment of the debate but, in view of the statement of the senator from Winnipeg South (Hon. Mr. Thorvaldson), I think it would be in the interests of the Senate, before final approval is given, to consider the convention in committee. If he would so move, I am sure the house would agree.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, convention referred to the Standing Committee on External Relations.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 15, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett, for an address in reply thereto.

Hon. William M. Wall: Honourable senators, I am pleased to have this opportunity to associate myself with my colleagues who have deservedly complimented both the mover of the address in reply to the Speech from the Throne (Hon. Mr. Méthot), and the seconder (Hon. Mr. Hollett); and in welcoming to our friendly ranks the latter, the honourable Senator Hollett, from Burin. I am pleased to be able to offer my warm and sincere congratulations to the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) upon his appointment as a member of Her Majesty's Privy Council of Canada, and also to our ever-gracious and distinguished Monsieur le Président upon his election as Chairman of the Board of Governors of the National Theatre School of Canada.

It was my privilege and responsibility to have been included in the Canadian team of

seven representatives to the Atlantic Convention of NATO nations, held in Paris January 8-20, 1962. In this Canadian team of seven representatives were Messrs. K. P. Andras, Donald Gillis, Patrick Nicholson, John Pallett, Stephen B. Roman, Allistair Stewart and myself. I am pleased to report to you that these seven Canadians worked conscientiously and well as a team, and through their participation in the work of the convention made a very valuable contribution to the debates and to the formulation of the Declaration of Paris, about which I shall comment later.

As a member of the Senate, I do feel a sense of great satisfaction in reminding you that such a convention was first proposed and indeed approved by the Canadian Senate back in 1950. The motion was proposed by the late Senator Euler, and read as follows:

> That the Senate of Canada do approve of the calling by the United States of America of a Convention of delegates from the democracies which sponsored the North Atlantic Treaty and representing the principal political parties of such democracies, for the purpose of exploring how for their peoples and the peoples of such other democracies as the Convention may invite to send delegates, can apply among them within the framework of the United Nations, the principles of federal union.

It is well to remember also that the history of the underlying concept for greater Atlantic co-operation and unity really began with a Canadian initiative in 1948, when Canada proposed and insisted that the North Atlantic Treaty must provide for the co-operation of the allies in the non-military fields as well as in self-defence. This so-called "Canadian clause" of the treaty has been a kind of beacon light toward which much thought and discussion has been directed, because it seemed to offer the means through which we might safeguard freedom and guarantee for our peoples accelerated socio-economic progress by economic and political means—that is, by some form of Atlantic free trade area, and by more direct democratic political control of NATO.

The idea of convening a conference of citizens of NATO countries interested in a study of how to further co-operation and unity of purposes and efforts in the Atlantic Community was then discussed by the Third NATO Parliamentarians' Conference in 1957 and a formal resolution was adopted. The suggestion was in turn taken up by the Atlantic Congress in June, 1959, which adopted a resolution calling for a "special conference" or convention of not more than one hundred representative citizens. We find mention of this convention again in the chairman's report to the Political Committee of the Fifth NATO Parliamentarians' Conference, held in Washington in November, 1959. This Fifth Conference did accept a resolution setting out the scale of delegate representation, in which scale Canada was allotted seven; United States, twenty; the United Kingdom and the other great powers ten each, and so on.

The whole idea became practicable after September 7, 1960, when a congressional law was passed by the United States Congress to set up a United States Citizens' Commission on NATO. In brief terms, this Public Law 86-719 provided for the appointment to the commission of not more than twenty United States citizens by the President of the Senate and the Speaker of the House of Representatives. The United States administration approved the idea, and provided the necessary public funds to the extent of some $350,000, I believe, to have this citizens' commission carry out its task.

Additional impetus to the calling of the Atlantic Convention came from the Sixth NATO Parliamentarians' Conference, held in Paris, November, 1960, which passed unanimously a resolution noting United States congressional action and urging other governments to appoint similar citizens' commissions.

The Atlantic Convention did meet January 8-20, 1962, and its delegates did draft the document which I have in my hand and which is officially entitled the "Declaration of Paris". Permit me to quote directly from this document, so that honourable members will have some idea of the contents and will thus find acceptable my suggestion that we print the whole document as an Appendix to today's *Hansard*.

Honourable senators, the document begins:

> We, the citizen delegates to the Atlantic Convention of NATO nations, meeting in Paris, January 8-20, 1962, are convinced that our survival as free men, and the possibility of progress for all men, demand the creation of a true Atlantic Community within the next decade, and therefore submit this declaration of our convictions:

And then follows a preamble, and I want to quote one or two parts of it.

> But the time has now come when the Atlantic countries must close their ranks, if they wish to guarantee their security against the Communist menace and ensure that their unlimited potentialities shall develop to the advantage of all men of good will.
>
> A true Atlantic Community—

And this becomes more specific.

> —must extend to the political, military, economic, moral and cultural fields. The evolution we contemplate will contribute to the diversity of achievements and aspirations which constitute the cultural splendour, and intellectual wealth of our peoples.

And then there follow twelve substantive recommendations, of which I want to quote just two or three.

The first is really an underlining of the importance of the instrument which is now in effect and whose competency in operation might be expanded, and that is the NATO Council of Ministers. This is recommendation No. 2:

> To create, as an indispensable feature of a true Atlantic Community, a permanent High Council at the highest political level, to concert and plan, and in agreed cases to decide policy on matters of concern to the community as a whole.

Recommendation No. 3 is very important, in my estimation.

> To develop the NATO Parliamentarians' Conference into a consultative Assembly which would review the work of all Atlantic institutions and make recommendations to them.

Recommendation No. 4:

> To establish an Atlantic High Court of Justice, to decide specified legal controversies which may arise under the Treaties.

And I shall quote the last one that is recommended, No. 12:

> That the NATO Governments promptly establish a Special Governmental Commission to draw up plans within two years for the creation of a true Atlantic Community, suitably organized to meet the political, military and economic challenges of this era.

Honourable senators, I have chosen just a few excerpts which are indicative of the statements and recommendations to be found in the Declaration of Paris, but I would like to draw attention to what I feel to be an important declaration of the basic moral and spiritual principles upon which the lives and acts of the nations forming the Atlantic community are based. These will be found in Part II of the document, which I would now ask to have printed as an *appendix* to our *Hansard*. I hope that permission will be granted.

Hon. Senators: Agreed.

For text of Declaration of Paris, see appendix, p. 219.

Hon. Mr. Wall: For the convenience of honourable senators, I should like at this point to give two references which they may wish to follow up. The first is the *Congressional Record* of the Senate of the United States of America for February 6, 1962, in which is reported a debate on the Declaration of Paris and a complete listing of all the delegates who attended this Atlantic Convention, together with their home addresses. The second is *Hansard* of the House of Lords for January 31, 1962, on which date there was an extended debate on NATO, during which the Secretary of State for Foreign Affairs, the Earl of Home, made a statement on the Atlantic Convention and related subjects.

May I plead with honourable senators to remember and to understand that the Declaration of Paris is a consensus of basic principles and recommendations which were "hammered out" by individuals who met for the first time, and for only two weeks, in an honest attempt to do some forward thinking about difficult and highly complicated problems that have been engaging the attention of our parliamentarians and diplomats for many years. We were not assisted by a battery of expert advisers, we were limited by time, and we were delimited by the necessity to formulate principles and recommendations which would be acceptable to the overwhelming majority, so that we could go away secure in the knowledge that there was more or less unanimous support for the declaration.

May I emphasize, too, that pervading the convention proceedings of these citizen representatives was a sense of imperativeness and a sense of urgency. I think it would be fair to say that all delegates to the convention felt that this whole business of improving our techniques and our instrumentalities for achieving among the free democracies greater unity of purpose, greater co-ordination and co-operation—yes, and wise integration of our political, our socio-economic and our other efforts—was not a kind of "maybe" business, "perhaps some day", and "if", but rather a "must" business, and "the sooner the better" for us and for all mankind.

There was much earnest discussion about the kind of unity we must have between and among the free democracies of the western world so that these free nations might safeguard and extend their democratic and national freedoms, and thus guarantee to their own citizens the kind of accelerated socio-economic progress which is now needed, and needed so badly, to meet effectively the challenges of a rapidly changing world. For we are living in a nuclear age, at a precarious time, when we appear to have a kind of rough balance of nuclear and other

military power, with its precarious hair-trigger balance of apocalyptic nuclear terror; and we are living in an increasingly competitive world in which the mounting threat of Soviet expansionism and economic competition must never be discounted or left out of our strategic equation. When the delegates spoke about the Atlantic community, or Atlantic union, it was not with a view to having the NATO countries band themselves together into an inward-looking and inward-acting exclusive club of "have" nations, to protect the socio-economic privileges they now enjoy, but rather to the end that NATO countries, and others who may wish to join, may be enabled to perform more conscientiously and more nobly the role of being their brothers' keepers and helpers for the many millions whose freedoms, national and individual, have been effectively denied and thwarted, and for the many millions in the other underprivileged and developing nations of the world who must be helped, and helped more effectively, to help themselves to greater freedom and to a better way of life. In other words, the delegates were seized by the imperativeness and the urgency of doing much more, and doing it more quickly, for those so-called non-committed and developing nations in Africa, Asia, and South America, to enable them to deal more effectively with their own far-reaching socio-economic and political problems, but as free men in free, democratic nations.

We must recognize that we are now living in that agonizing and historically most frustrating of periods in which the rough balance of nuclear power and the cataclysmic dangers of using all-out wars as instruments of national policy, obligate us to live dangerously in a world that is divided as it has not been since the religious wars in the 17th century, in a world which is not in peace and not in war, but between peace and war, during which in-between period, which may last for many years, our communist opponent, speaking to us about his version of so-called peaceful co-existence, is doing in terms of the integration and enforced co-ordination of the work of the peoples and the nations what is now found in the Sino-Soviet bloc.

It is here that we find the basic reasons for the imperativeness and the urgency which I mentioned earlier, for there appeared to be general agreement among these citizen representatives that the long struggle ahead of this divided world would revolve around what we may term a "competition" between the two societies, the democratic and the communist, to see which society has the greater capacity to progress—that is, to become the leader in science and technology, to become rich in material goods and services, to distribute these goods and services with greater effectiveness and justice, to see that their respective peoples are healthy, well-housed, well-fed, well-educated and well-cultured, and to give them—and this I do not believe the Communist society can give—collectively and individually the satisfaction and the happiness which comes from knowing that they are able and free to work for their best-shared aims and aspirations.

If other things are equal, honourable senators, we believe that free men can and will outstrip enslaved men in any fair and competitive endeavour, but we must, through the co-operation and the co-ordination of our joint efforts, make certain that the conditions for this competitive endeavour are equal. It is well to remember the potential dynamics of the large and effective measure of co-operation, of integration, of economic political and other activities between and among the various members of the Soviet bloc. Whether this unification or integration is the product of consent or duress is beside the point. The fact remains that the economies of all parts of the U.S.S.R. and its satellites are being treated more and more as one economy, with "one-party rule" making it that much easier to undertake major industrial enterprises, to request certain areas to specialize in this or in that, to reallocate materials and human resources, and so on. The fact remains that the leaders of the Communist society are thus able to formulate their five-, seven- or twenty-year plans for economic activity, and to take the necessary administrative action, even though under duress, to attempt to reach their planned figures.

Honourable senators, writing in the newspaper *Pravda Ukrainy*—and that means "The truth about Ukrainy"—of December 13, 1961, the Deputy Minister of the Council of Ministers of the Ukrainian SSR gives these interesting and, I believe, significant target figures for the economic development of this highly industrialized, so-called independent Republic of the U.S.S.R.

Honourable senators, I want you to ponder upon these target figures. They are for 1980, and they could be compared with our own target figures for Canada for the same year as estimated by the Royal Commission on Canada's Economic Prospects. Just listen to this:

> The general volume of industrial production to increase by a factor of six;
>
> The production of electric power to increase from 54 billion kilowatt hours to over 500 billion kilowatt hours;

The production of natural gas to rise from 14.3 billion cubic meters to 120 billion cubic meters.

And so it goes on.

Are these figures realistic? Perhaps the warning of the United States Ambassador just lately that the Soviet bloc may indeed soon have the economic and other means to "bury" us is pertinent to the sense of urgency and imperativeness which I found so often expressed by the delegates to the Atlantic Convention. Perhaps it is important to remember, too, that the whole machinery of government, the whole propaganda and organizational machinery of the Communist Party, of the Komsomol, of the so-called labour unions, with their literally hundreds of thousands of trained agitators and explicator-persuaders, is directed at the working population, so that each individual, each industrial or agricultural establishment or region tries not merely to fulfil, but overfulfil, the plan. Soviet newspapers are full of praises for those who fulfilled or overfulfilled, and indignant criticism of those who were idlers—and really traitors—because they failed to meet the target figures. Judge for yourselves the dynamics of this loaded situation.

I subscribe to this pervading feeling of urgent imperativeness in the sense that I returned to Canada strengthened in my previous conviction that our first task is to go further and faster in the desperately urgent task of bringing together into one liberal and progressive economic community all the trading partners of the free democratic world which do not belong to the communist society. I returned to Canada reassured about the probabilities of success in any further negotiations which would involve free men facing honestly and courageously whatever implications such greater co-operation, co-ordination, integration or union might logically entail, if these free men know what the score really is and if their leaders call them to a new burst of moral commitment to high purposes and to high ideals.

I believe that the Declaration of Paris should be given careful consideration by all the NATO governments, including the Canadian Government, because it contains valuable recommendations concerning the sequential extension to the political, the military, the economic, and the moral and cultural fields of the basic concept of the Atlantic Community in what many of us hope may eventually become the focal point for the establishment of a grand union or alliance of free nations for peace, for justice, and for progress.

Honourable senators, I should like now to tell you that while I was in Paris for the Atlantic Convention I was fortunate to be able to accompany another member of the Canadian delegation on a visit to No. 2 Fighter Wing Base at Grostenquin, France. I should like to pay tribute to Group Captain McBride and to his senior staff officers for their very comprehensive briefing and effective arrangements of a tour which enabled us to see something of the high level of morale and operational efficiency of this particular fighter wing base. I say a very special word of thanks to the officers and to the other personnel who permitted us to see them at their duties, and who answered our many questions in such a frank and helpful manner.

Naturally, like a homing pigeon, I made a beeline for the school which is actually located on the base. I was unable, because of a lack of time, to visit the junior school which is located at the permanent married quarters site some distance away, and which contains some 533 pupils, under the educational jurisdiction of a principal and 17 teachers. I was told that the school at the permanent married quarters site was reasonably adequate—I am now talking about physical accommodation and equipment which are up to the so-called normal "French standards".

I should like, however, to comment briefly about the senior school with some 600 children enrolled in grades 4 to 13. These children are housed in 21 small classrooms, which are found in converted barrack blocks. I visited some of these classrooms and was very disturbed by the overcrowding, which I am told exists in grades 4 to 12. I was disturbed by the substandard level of physical accommodation generally, and by the fact that inadequate plant and equipment facilities deprived these children of anything more than a purely academic or matriculation program of curricular offerings. Despite the fact that I was reassured that the morale of the children, their parents, and their teachers remains high, I must make the candid comment that these very fine Canadian children, living far away from our native soil because their fathers are performing a very important duty not only for Canada but for the freedom of mankind, deserve from the Canadian Government—from us—in terms of physical facilities, educational equipment and supplies, and in terms of the extent of curricular offerings, at least something equivalent to normal Canadian standards—by that I mean at least a good Canadian average.

In my judgment, this is not now the case, and I wish to bring this fact to the attention of my honourable colleagues with the hope that this may reach the ears of the Government.

Honourable senators, I shall need another thirty-five minutes to complete my remarks. At this point I move the adjournment of the debate.

On motion of Hon. Mr. Wall, debate adjourned.

BUSINESS OF THE SENATE

MEETING OF COMMITTEE

Hon. Walter M. Aseltine: I would like to remind honourable senators that the Standing Committee on Banking and Commerce adjourned its meeting this morning until after the house rises this afternoon for the purpose of considering the bill to amend the Civilian War Pensions and Allowances Act. The Deputy Minister of Veterans Affairs, Colonel Lalonde, and his associates have been waiting patiently and are willing to attend the meeting of the committee between this hour and six o'clock, or a little longer if necessary. I would also point out that Senator White, the sponsor of the bill, may not be able to be present later on this evening.

Having regard to these facts, I ask honourable senators who are members of the Banking and Commerce Committee to attend in the committee room immediately after adjournment for the purpose of dealing with Bill C-64.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(See p. 215)

ATLANTIC CONVENTION OF NATO NATIONS

DECLARATION OF PARIS

We, the citizen delegates to the Atlantic Convention of NATO nations, meeting in Paris, January 8-10, 1962, are convinced that our survival as free men, and the possibility of progress for all men, demand the creation of a true Atlantic Community within the next decade, and therefore submit this declaration of our convictions:

PREAMBLE

The Atlantic peoples are heir to a magnificent civilisation whose origins include the early achievements of the Near East, the classical beauty of Greece, the juridical sagacity of Rome, the spiritual power of our religious traditions and the humanism of the Renaissance. Its latest flowering, the discoveries of modern science, allow an extraordinary mastery of the forces of nature.

While our history has too many pages of tragedy and error, it has also evolved principles transcending the vicissitudes of history, such as the supremacy of law, respect for individual rights, social justice and the duty of generosity.

Thanks to that civilization and to the common characteristics with which it stamps the development of the peoples participating in it, the nations of the West do in fact constitute a powerful cultural and moral community.

But the time has now come when the Atlantic countries must close their ranks, if they wish to guarantee their security against the communist menace and ensure that their unlimited potentialities shall develop to the advantage of all men of good will.

A true Atlantic Community must extend to the political, military, economic, moral and cultural fields. The evolution we contemplate will contribute to the diversity of achievements and aspirations which constitute the cultural splendour and intellectual wealth of our peoples.

The Atlantic Convention, keeping this ideal constantly in view, recommends the following measures which, in its opinion, would foster the necessary cohesion of the West, would bring the final objective closer and should be adopted forthwith by the governments concerned.

SUMMARY OF RECOMMENDATIONS

1. To define the principles on which our common civilization is based and to consult about ways of ensuring respect for these principles.

2. To create, as an indispensable feature of a true Atlantic Community, a permanent high council at the highest political level, to concert and plan, and in agreed cases to decide policy on matters of concern to the community as a whole. Pending the establishment of the council, the convention recommends that the North Atlantic Council be strengthened through the delegation of additional responsibilities.

3. To develop the NATO Parliamentarians' Conference into a consultative assembly which would review the work of all Atlantic institutions and make recommendations to them.

4. To establish an Atlantic High Court of Justice, to decide specified legal controversies which may arise under the Treaties.

5. To harmonize political, military and economic policy on matters affecting the community as a whole.

6. That the North Atlantic Council treat the development of an agreed NATO policy with respect to nuclear weapons as a matter of urgency.

7. That it welcomes the development, progress and prospective expansion of the European economic institutions, and the spirit of President Kennedy's statement that a trade partnership be formed between the United States and the European Economic Community, the basis of an Atlantic Economic Community, open to other nations of the free world.

8. That the Atlantic nations, acknowledging the right of every people to freedom, independence and pursuit of happiness, co-operate on a larger scale with the developing nations in their economic programs, through direct and multilateral action; through the acceleration of investments; and especially through measures which would increase both the volume and value of their exports, including special tariff concessions for their exports.

9. That the Atlantic Community take steps to help improve all their economies, so that the proportionate economic and social potential of all will be less unequal.

10. That the Atlantic nations, noting the destruction of the national independence and the human rights of many peoples in Eastern and Central Europe, reaffirm their belief that the problem of these captive nations should be resolved in accordance with the principles of both individual liberty and national self-determination.

11. To create an Atlantic Council for youth, education and culture in order to draw up Atlantic plans for exchanges of young people, students and teachers and for the purposes of scientific and cultural collaboration.

12. That the NATO Governments promptly establish a special governmental commission to draw up plans within two years for the creation of a true Atlantic community, suitably organized to meet the political, military and economic challenges of this era.

RESOLUTIONS

We, the delegates to the Atlantic Convention of NATO Nations, in meeting assembled, taking note of the recommendations of the NATO Parliamentarians' Conference of 17 November, 1961, that an organized Atlantic community be created, have adopted the following documents:

PART I—POLITICAL AND ECONOMIC QUESTIONS

A. Special Governmental Commission to Propose Organizational Changes

Call upon the Governments of the NATO countries to draw up plans within two years for the creation of an Atlantic community suitably organized to meet the political, military and economic challenges of this era. To this end they should, within the earliest practicable period, appoint members to a Special Governmental Commission on Atlantic unity. The commission should study the organization of the Atlantic community, particularly in the light of the recommendations of this convention, and it should be instructed to propose such reforms and simplifications of existing institutions, and such new institutions, as may be required.

B. Institutions

1. Recommend, as an indispensable feature of a true Atlantic community, the creation at the highest political level, of a permanent high council, whose competence would extend to political, economic, military and cultural matters. Such a council, assisted by a secretariat, would not only prepare and concert policies on current questions and, in defined cases, decide them by a weighted, qualified majority vote, but would also undertake long-term planning and propose initiatives on matters of concern to the community. All members of the community would be represented on the council.

Whether this high council be a new institution or a development of the North Atlantic Council should be a matter of recommendation by the Special Governmental Commission. In any event, however, pending the establishment of the Atlantic community, the members of the convention urgently request their governments to reinforce and develop the North Atlantic Treaty Organization as a political centre. To this end, the convention recommends that the North Atlantic Council be strengthened through the delegation of additional jurisdiction. Where authority for decision is delegated to the North Atlantic Council by governments, it should employ a weighted majority vote.

2. Propose that the NATO Parliamentarians' Conference be developed into a consultative Atlantic Assembly, to meet at stated intervals, or upon the call of its president or otherwise, to receive reports regularly transmitted to it by the secretaries general of other Atlantic bodies; to raise questions for and to consider, debate and review the work of all Atlantic institutions, and make recommendations to other Atlantic bodies and governments on questions of concern to the Atlantic community. A permanent secretariat and an annual budget should be provided for the Atlantic Assembly to insure continuity. In certain defined cases, recommendations should be by weighted majority vote. Members of the Atlantic Assembly would be selected by member governments in accordance with their constitutional procedures. They need not necessarily be parliamentarians. The members thus chosen would have the power to elect a limited number of additional members of equal status.

3. Recommend the creation of a High Court of Justice, reserved to the Atlantic Community, in order to settle legal differences between members and between members and the organizations arising from the interpretation and application of treaties.

C. Policies

The institutions of the Atlantic community should harmonize those policies of its members affecting the interests of the community as a whole, and contribute to the development of community methods in planning, considering and executing such policies.

1. A primary objective is the continuing expression through national and international action of an overriding community of national interests in political and military policy.

Closer and more effective action in the field should not await the growth of community institutions (see Paragraph 2, above); the development of an agreed NATO policy with respect to nuclear weapons should, among other immediate problems, be treated as a matter of urgency by the North Atlantic Council.

2. A second cardinal policy objective is to realize the opportunities for economic progress available through the creation and development of the Atlantic community. The expanding European Economic Community is an economic advantage not only for its members, but for North America and the free world as well. The convention welcomes the spirit of President Kennedy's recent statement that a trade partnership be formed between the United States and the European Economic Community. We hope that the negotiations envisaged by President Kennedy succeed in establishing a relationship which would constitute the nucleus of an Atlantic Economic Community within the framework of community institutions, and open to all other qualified countries. Such a development would be of advantage to all countries, and particularly to those which participate directly in it. Among the fruits of this expanding community would be its stimulus to competition, investment and more rapid growth in the mass markets appropriate to the modern technological age, with progressive reductions in tariffs and other barriers to trade.

3. Another important goal of the Atlantic nations is to co-operate with those developing nations which wish to do so in their efforts to overcome the burden of poverty, which may well be that of a falling per capita income in some countries. The convention recommends that the Atlantic community increase its already considerable participation in development programs of this kind, through direct financial and technical measures; through increased shares in United Nations programs, O.E.C.D. programs and other multilateral efforts; and above all through policies which favour commerce with and investment in the development countries, such as the abolition of tariffs on tropical and primary products, and the reduction and, under agreed circumstances, even the eventual abolition of tariffs on their other products. The convention also recommends the development of equitable and agreed programs for the acceleration of investments, and for the protection of investors against political risks.

4. An important goal of the Atlantic community's economic policies should be to help raise the standard of living and the level of economic activity of the different segments of the Atlantic community, so that the proportional economic and social potential of all the members will be relatively less unequal.

5. In view of the hundreds of millions of hungry people alive today, and the prospect that, if the present trends continue, there will be three thousand million more people added to the population in the next generation, the convention recommends that the Atlantic community should address itself forthwith to the population problem.

6. Since Soviet expansion has destroyed the effective national independence of many peoples in Eastern and Central Europe, denying to their individual members the free exercise of their religious rights and democratic liberties—with all the attendant injurious effects upon the general climate of European security and progress, the convention affirms its recognition of the inalienable rights of all nations to assume freely the responsibilities of self-determination and self-government, and expresses its firm belief that the problem of the captive nations of Eastern and Central Europe should be resolved in accordance with the rights and principles of both individual liberty and national self-determination.

7. As most governments of the Atlantic community countries have accepted the obligatory clause of the Statute of the International Court of Justice at The Hague, the convention recommends that all members of the Atlantic community accept this obligatory clause.

PART II—MORAL AND CULTURAL QUESTIONS

A. The Atlantic Convention of NATO nations declares that the basic moral and spiritual principles upon which the lives and acts of the nations forming the Atlantic community are based are as follows:

1. The purpose of political and economic institutions is the protection and promotion of the rights, liberties and duties which enable every human being to fulfil his or her spiritual vocation;

2. Liberty is inseparable from responsibility, which implies recognition of a moral law to which men, as individuals and in groups, are subject;

3. Liberty is inseparable from the duties of men toward one another, which implies the obligation to ensure that all men gradually attain physical and moral well-being;

4. Liberty is inseparable from tolerance, which recognizes the right to free discussion of all opinions which are not in violation of the very principles of civilization;

5. There can be no freedom without variety, the natural result of the different origins

and varying achievements of different peoples in all fields. But this variety should not entail disunity. On the contrary, retaining the common factors, it should become the permanent force impelling the peoples of our Western civilization to unite;

6. Freedom is inseparable from the spirit of objective truth, which must restore to words the exact meaning they have in the free world.

And therefore invites member countries:

1. To defend and promote the values and principles of civilization by means of education, publications, lectures, radio, the cinema and television;

2. To uphold in their conduct with all nations the ethics and values of Western civilization and by their example to impress on others that discord and disunity result when they are not observed;

3. To defend these values and principles against intellectual and moral subversion within the community;

4. To try to establish an atmosphere of mutual understanding between the members of the Atlantic community, appreciating to the full the riches of their diversity;

5. To demonstrate to all peoples that respect for these values and principles can alone make a technological civilization an instrument for improving the physical and moral well-being of mankind;

Reconstruction of the Acropolis: To decide that the Acropolis shall become the symbol of our culture and the shrine of our alliance and to call upon governments to consider how this resolution might be given concrete form.

B. The Atlantic Convention of NATO nations:

Considering that a major obstacle to the formation of real European and Atlantic communities is the difference in language and therefore in mentalities and ways of thinking;

Considering that this language barrier is particularly prejudicial to the scientific co-operation upon which the Western potential depends:

Invites the governments of NATO nations, and such other countries as may be inspired by the same ideal, to convene an Atlantic council consisting of ministers of education, ministers for scientific affairs, cultural and educational authorities and representatives of universities and scientific research organizations, with a view to:

1. Determining the comprehensive aims of an education likely to promote the ideals and purposes of the Atlantic Community, studying ways and means of implementing the principles laid down, and periodically reviewing the results achieved.

2. Organizing:

A bold Atlantic plan for youth and education with the aim of furthering the study of languages and the widest possible exchange of students, teachers and youth leaders and of workers in industry and agriculture;

A program of scientific co-operation among the scientists and the scientific institutions of the countries of the community;

Both of the above being financed by all participating nations.

Within the framework of the above recommendations, the convention draws the attention of governments to the following points:

a. Alongside the study and use of foreign languages, it is essential that mutual understanding be developed between men with different ways of thinking from all parts of the free world, including those of the emergent nations. This program should in the first place benefit university students, as many as possible of whom should be enabled to spend at least one year of their course in a university or other advanced training establishment where teaching is in a language other than their own.

However, in the case of the most promising citizens of the emergent nations this program should have a special priority, since their intellectual hunger must be satisfied at all costs. Steps will have to be taken to ensure that such periods spent at foreign universities or other establishments do not prejudice the career of the student concerned but rather confer advantages upon him in the form of either a degree valid in his own country or a new type of degree specially created for the purpose of enabling him, for instance, to exercise his profession either in his own country or in that where he has completed one or more years of study, always providing that his knowledge of the two languages is sufficient.

b. It is to be hoped that, in the future, those who have pursued such a course of training, which would subsequently be supplemented by exchanges of civil servants between Atlantic nations, will be given priority in selection for posts as officials required to take part in international negotiations.

c. It should be made possible for teachers, and particularly university teachers, research workers and curators of museums and art galleries, either to be seconded periodically to

equivalent foreign organizations, or to establish close contacts with them. Although it may not be immediately possible for all Atlantic Community countries, the introduction of the system of the "sabbatical year" for professors and research workers would be generally desirable.

d. In the field of scientific documentation and co-operation, it would be necessary to supplement existing organs by setting up a scientific documentation centre responsible, among other things, for the translation and distribution of the principal articles, reports and other publications appearing throughout the world, and which have not yet been distributed by other agencies. The committee considers this a most urgent matter.

e. The "pairing-off" of universities and other advanced educational establishments of different languages within the community should be encouraged and intensified.

f. The establishment and exchange of comparable statistics on education and research in the Atlantic community countries should be assured.

C. Recommends that these proposals be studied further by the Atlantic Institute to assist in the accomplishment of these tasks in co-operation with existing agencies, such as the Council for Cultural Co-operation of the Council of Europe to avoid duplication of effort.

GENERAL RESOLUTION

The Atlantic Convention of NATO Nations requests its president to forward the foregoing declaration and resolutions to the NATO Council and to the NATO Parliamentarians' Conference at the earliest possible date, and that the delegates to this convention report the same to their respective governments or legislative authorities at their earliest convenience.

THE SENATE

Thursday, February 22, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Report of the National Gallery of Canada for the fiscal year ended March 31, 1961, pursuant to section 10 of the National Gallery Act, chapter 186, R.S.C. 1952. (English and French texts).

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-64, to amend the Civilian War Pensions and Allowances Act, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. White moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNAL ECONOMY

REPORT OF COMMITTEE ADOPTED

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's first report.

Report read by the Clerk Assistant:

1. Your committee have in obedience to the order of reference of February 14, 1962, considered the following report of the Civil Service Commission:

To the Honourable The Members of The Senate.

The Civil Service Commission has the honour to submit the following report.

A recent competition conducted to fill a position of Parliamentary Reporter, Senate, produced only one successful candidate, Mr. Lorcan OhUiginn. He is employed at present, under authority of the Speaker of the House of Commons, as Assistant Parliamentary Reporter at $6,900 per annum. He has indicated that he will not accept appointment as Parliamentary Reporter at a salary less than $7,500 per annum, the third rate in the class range.

Pursuant to the provisions of Sections 60 and 62 of the Civil Service Act, the Civil Service Commission recommends for approval the exclusion of position SC-A-140 from the operation of Section 12 of the Act, in order to provide for the appointment of Mr. Lorcan OhUiginn as Parliamentary Reporter at a salary rate of $7500 per annum, effective from the date he reports for duty. It is considered that in all other respects this position should be subject to the provisions of the Civil Service Act.

Speaker of the House of Commons, as
Respectfully submitted,

Ruth E. Addison
Commissioner

Sam Hughes
Chairman

Mark R. Drouin
Speaker of the Senate

2. Your committee recommend that the said report be approved.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Brunt: Honourable senators, with leave, I move that it be taken into consideration now.

Hon. Senators: Agreed.

Hon. Mr. Brunt: Honourable senators, perhaps I should offer a word of explanation with regard to this matter. I should point out that a vacancy presently exists on the reporting staff of the Senate, and the appointment of the present applicant would bring the staff up to strength.

Hon. Mr. Macdonald (Brantford): What is his name?

Hon. Mr. Brunt: I shall come to that in a moment.

A full complement of reporters is essential to ensure the daily publication of *Hansard* in both French and English. As honourable senators know, the English and French editions of the Senate debates are now being published simultaneously.

I am sure all honourable senators will realize it is difficult to obtain good reporters, capable of taking down and transcribing accurately the debates of the Senate. In this case, I understand that a competition was held

at which there was no successful candidate. After a lengthy canvass of the situation, Lorcan OhUiginn was examined and found to be well qualified for the position.

Mr. OhUiginn comes from that country which I think is the greatest in the world, Ireland.

Hon. Mr. Higgins: Hear, hear!

Hon. Mr. Brunt: He is an Irishman, and we all love the Irish, despite the fact that the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) shakes his head and probably would prefer that the candidate came from Scotland.

Hon. Mr. Connolly (Ottawa West): No politics now!

Hon. Mr. Brunt: Mr. OhUiginn has studied law for three years and is a very capable reporter. I feel that the Senate is fortunate indeed to obtain his services.

Honourable senators will note that his starting salary is to be $7,500 per annum. I understand that with the exception of one reporter, who will shortly be eligible for advancement to this amount, it is the minimum salary being paid to reporters presently on our staff.

Hon. Mr. Reid: What is the top salary?

Hon. Mr. Brunt: The maximum is $7,860. I know that Mr. OhUiginn will do a good job for us, and I am anxious to have the report adopted so that the matter can be proceeded with expeditiously.

Report adopted.

PORTRAITS OF PRIME MINISTERS—COMMONS COLLECTION

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, with reference to a front page news item which appeared in the local press yesterday to the effect that 10,000 butterfies had been stolen from the collection at the Experimental Farm, I wonder if among those lepidoptera there is the missing portrait of the late Prime Minister Bennett.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are called I should like to ask the honourable Leader of the Government (Hon. Mr. Aseltine) if it is his intention at the conclusion of the sitting this afternoon to move the adjournment of the Senate until Tuesday next.

Hon. Walter M. Aseltine: I regret, honourable senators, that we shall have to sit tomorrow. The Canadian National Railways bill that was amended here and returned to the other place yesterday will not be considered there until tomorrow morning. If the other place concurs in the amendment, it is essential that there be royal assent at 5.45 p.m. tomorrow.

Hon. Mr. Macdonald (Brantford): Honourable senators, may I ask another question? Is it possible that the honourable Leader of the Government will have definite information as to adjournment later in the sitting today?

Hon. Mr. Aseltine: What I have said is definite, unless something completely unforeseen arises.

Hon. Mr. Macdonald (Brantford): Yes, but it never does.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck: Honourable senators, as a matter of indulgence may I ask that Order No. 10 be called as the first order of the day? I make this request because I cannot stay beyond four o'clock.

Hon. Senators: Agreed.

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 44 to 110, which were presented yesterday.

On motion of Hon. Mr. Roebuck, chairman of the committee, reports adopted.

PRIVATE BILLS

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA—THIRD READING

Hon. L. P. Beaubien moved the third reading of Bill S-3, respecting the Mutual Life Assurance Company of Canada.

Motion agreed to and bill read third time and passed.

WESTMOUNT LIFE INSURANCE COMPANY—THIRD READING

Hon. A. K. Hugessen moved the third reading of Bill S-4, to incorporate Westmount Life Insurance Company.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS

BILL TO AMEND—CONSTRUCTION AND PURCHASE OF BRANCH LINES IN MANITOBA—THIRD READING

Hon. Arthur M. Pearson moved the third reading of Bill C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from

The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from yesterday, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Méthot, seconded by Hon. Mr. Hollett for an address in reply thereto.

Hon. William M. Wall: Honourable senators, yesterday afternoon I was able to bring to your attention the work of the Atlantic Convention of NATO Nations, during which presentation I received your kind permission to have the Declaration of Paris printed as an appendix to *Hansard*.

You will remember that I tried to share with you some of my own thoughts concerning the imperativeness and the urgency which is involved in making additional governmental moves and taking additional diplomatic steps to improve and to expand the effectiveness of our existing instruments for the co-ordination and the integration of the political, the military, and the socio-economic activities of the free nations of the democratic world; and/or to create new instrumentalities where and when needed.

This afternoon I wish to speak about the domestic scene. There is a relationship between what I said yesterday and what I intend to discuss today, and I shall refer to it at the conclusion of my presentation this afternoon. I shall confine my remarks to the overriding problem of continued economic growth, in the light of the performance of our Canadian economy during the preceding four or five years, leaving to another time such interesting and important problems as the increased federal contributions to our universities and colleges, or the need for federal participation in getting under way a comprehensive program urgently needed in educational research, or an overview of what has been happening to our net immigration figures—running now at somewhat over 10,000 per year, a reduction of some 1700 per cent from the 1957 figure.

Since a variety of statistical data has been used during the present debate to prove this or that point, I should like to introduce a few figures, too, in an attempt to focus our attention upon what I think are indicative yardsticks which tell us something about the overall performance of the Canadian economy in real terms, that is, in constant dollars on a per capita basis. I shall give you answers which I have worked out, after making the necessary correction for two key factors, namely, the increase in our population, and the increase in prices. I refer you to the remarks of the honourable the Leader of the Government (Hon. Mr. Aseltine), found on page 37 of Senate *Hansard*, in which he indicates that there has been a rise of 7.3 points in our prices between 1957 and 1961, which is roughly a rise of six per cent. I shall begin with things as they were back in June 1957, and I shall end with whatever data is available as close as possible to January 1962.

Now, before I discuss what appear to me to be very basic economic facts of life, I wish to explain that what I am trying to do is to find some meaningful yardsticks to understand better what economic gains we have made during the past four and a half years, and these are to be regarded as an addendum to the data which has already been introduced during this debate. If these yardsticks show that not too much progress has been made, or indeed, that we have been losing some economic ground, then it avails us little to replay that well-known and shopworn tune about gloom and gloomsters, about doom and doomsters, and about degrading and degraders. I would hate to think that by some strange kind of logic and by some specious kind of philosophizing an honest appraisal of the basic economic facts of Canada's progress in some areas, and lack of progress in others, might be construed to be an attack upon Canada and Canadians in general. This is not so. I do believe that thoughtful Canadians are looking for honest appraisals, with discussion hinging on the proving or disproving of facts.

The Leader of the Government in the Senate (Hon. Mr. Aseltine) discussed at great length the improvements we have made lately in expanding our merchandise or commodity trade, and he ventured the guess that we may have an export surplus in 1961 of around $100 million. This is gratifying to all of us, and we all hope that this trend continues. During this comprehensive discussion, the Leader of the Government in the Senate described the Government measures which have assisted in our achieving a surplus position, in so far as the tangible goods we buy and sell are concerned, and he made reference to the readjustment of the exchange value of the Canadian dollar in these terms:

> Certainly a most significant one—

And that relates to one of the causes of this upturn.

—was the readjustment of the value of the Canadian dollar following the budget of December 1960.

I could not help but wonder, honourable senators, why this most significant measure which had such a direct influence on our export trade, and which has apparently proved to be so beneficial, was not taken earlier, with what kind of additional beneficial results.

Our widespread satisfaction with changes in our commodity trade must not push into the background of public interest another substantial part of our international accounts. I am referring to the so-called invisibles, where our deficits are very large, very important, and growing. As a matter of fact, during the past decade the deficits on these invisibles have nearly trebled, increasing from a deficit of $370 million in 1951 to $1,072 million in 1960. For the first nine months of 1961—and these are all the figures we have so far—our deficit on non-merchandise transactions was $829 million, apparently running close to, if not actually above, the 1960 deficit. In 1960 our total current international deficit was $1,217 million. This past year, with our small merchandise trade surplus, our total current international trade deficit will be somewhere in the order of $1 billion to $1.1 billion. In proportionate terms, this $1 billion deficit would be about $14 billion in the United States. Honourable senators are well aware of the serious concern in the United States, when their 1960 international payments deficit reached something like $2.5 billion.

But what will happen to our international payments deficit if our imports continue to rise, as they apparently have been doing during the preceding four months, from October to January? In October and November we imported nearly 28 per cent more, by value, than in the same two months of 1960, and preliminary indications are that the imports during December and January have been running unusually high.

Is careful study needed of this international payments deficit problem? How are we doing in relation to our Gross National Product? Which non-merchandise deficits are increasing, and why? And can anything be done to help with what appears to me to be a very difficut and serious national problem?

Honourable senators, I should like permission to include at this point a table entitled Per Capita Production Output for the years 1956 to 1960, being excerpts from a table presented by the Government in answer to a question in the House of Commons.

Hon. Senators: Agreed.

Per Capita Production Output
(for the years 1956 to 1960)

Year	G.N.P. in current dollars (millions)	G.N.P. in constant (1957) dollars (millions)	G.N.P. in constant (1957) dollars per capita	Percentage change in constant (1957) dollars
			$	
1955	27,132	29,018	1,849	
1956	30,585	31,508	1,959	+5.9
1957	31,909	31,909	1,924	−1.8
1958	32,867	32,110	1,884	−2.1
1959	34,857	33,211	1,904	+1.1
1960	35,959	33,807	1,898	−0.3

Hon. Mr. Wall: Honourable senators will note that the table gives the following information: Gross National Product for these years in current dollars; Gross National Product in constant 1957 dollars—the per capita Gross National Product, and that is the one that counts—in constant 1957 dollars; and the percentage change in constant 1957 dollars. I should like honourable senators to note these few figures. I shall quote only the Gross National Product per person, that is, per man, woman and child in Canada, in constant dollars. In 1956 the figure was $1,959. I skip the in-between figures and go on to 1960, when the per capita Gross National Product was $1,898 or roughly $61 less than it was in 1956.

What is happening to our economy from year to year in constant dollars on a per capita basis and the percentage changes are very interesting. Between 1955 and 1956 we had an increase in Gross National Product per person of 5.9 per cent, but between 1956

and 1957 we dropped by 1.8 per cent: between 1957 and 1958 we dropped by 2.1 per cent; between 1958 and 1959 we went up by 1.1 per cent, and then we took another drop between 1959 and 1960. The cumulative decrease over those years has been 2.1 per cent in the per capita constant dollars of Gross National Product.

Using the average of seasonally adjusted to annual rates Gross National Product figures in constant 1957 dollars for the first two quarters of 1957, and for the first two quarters of 1961, the last available, I have calculated the per capita Gross National Product in real terms, that is in constant dollars, as follows:

1957	$1,945
1961	$1,863

This means a relative loss in Gross National Product of $82 per man, woman and child, and a loss of $328 per theoretical family of four.

The total relative loss in our annual Canadian 1961 Gross National Product based upon these two quarters but adjusted to annual rates, in real terms or in constant dollars, is $1,482,970,000. This relative loss is hypothesized upon the per capita Gross National Product remaining at its first half 1957 level; that is, upon our standing still all this time, despite technological and other changes in our per capita productivity potential.

I agree, honourable senators, that much data may be marshalled to prove that there are what I would call short-term signs that the Canadian economy is beginning to grow again in real terms, in line with and perhaps also as a result of the upswing in the economic activity in the United States. Thoughtful Canadians rejoice at this welcome change, but they are disturbed when they note that competent observers are warning us more and more frequently that this cyclical upturn will be relatively short-lived, that it will not do much to solve the complex and stubborn hard core of our unemployment difficulties, and that we are still not courageously facing the issues involved in the changing pattern of the world's business because of Europe's economic revolution and because of the impending future threat of very active trade competition from the nations in the Soviet bloc.

The yardsticks which I am discussing deal with what appear to me to be the basic facts of our economic life, and one of these basic facts can be summarized thus: Between 1947 and the first half of 1957 we had in Canada an annual rate of unemployment averaging about 3.3 per cent, and since that time the rate of annual average unemployment has been about 6.1 per cent, resulting in a rate of real growth of less than one-half of what we had in the pre-1957 decade.

I find that the simple annual growth rate in real terms, that is in constant dollars, averaged 2.4 per cent between 1957 and the third quarter of 1961, but it was 6 per cent in the pre-1957 era.

Our gap in the per capita G.N.P. is partly explained by the fact that our annual population increase is around 2.8 per cent or a bit more, depending upon immigration and so on.

Had our post-1957 growth rate continued at the previous 6 per cent rate—and there is a refinement that we could use in the form of a cumulative rate of 4.6 per cent—and using a permissible level of unemployment of 3 per cent, we can calculate what we might term to be a cumulative loss or a cumulative gap in our G.N.P., this time in current dollars for the last two quarters of 1957, then of all 1958, all of 1959 through to the end of 1961. True, the estimate I shall give you is a very rough one and it could be called theoretical, but it does tell us something about basic trends.

This cumulative gap in goods and services, honourable senators, has been assessed in the neighbourhood of $14 billion, and when we think of the annual growth rates in countries of Western Europe or in Japan we can understand why some observers have termed our last four years as years of wasted opportunities.

In a very blunt article entitled "Work Smarter" and printed in the September 1961 issue of *Merit News*, a publication of the Industrial Acceptance Corporation, Mr. H. G. DeYoung, President of Atlas Steels Ltd. and Chairman of Canada's Productivity Council, gives this interesting table to demonstrate in terms of Gross National Product—per person in constant dollars, and using 1950 as 100 per cent—and says, "Canada shows itself as the losing team, limping sadly behind the competitive pack." I shall read from this table and then I shall ask that it be printed in *Hansard* for your further examination. I may say that the appended note is my own calculation.

Comparative Table of Indices

(showing GNP per person in constant dollars, using 1950 as 100%)

Countries	1950	1956	1960 (est.)
Japan	100	147	190
Germany	100	152	185
Italy	100	135	175
France	100	125	142
Netherlands	100	127	140

	1950	1956	1960 (est.)
Sweden	100	115	128
U.K.	100	115	124
Canada	100	116	111

Note: In constant 1954 dollars, the per capita GNP figures in the United States were: 1950—$2,096; 1956—$2,393; 1960—$2,442 (Prel.). U.S. index figures would be respectively: 100, 114, and 117.

I quote Mr. DeYoung's comments:

> The results, too, are plain to see. Abroad, Canada has already become non-competitive in many world markets and is getting more so; at home, a disturbing level of unemployment is being aggravated each year by the increase in the number of people joining the labour force and not finding the economic growth to absorb them.
>
> The reasons for the relative stagnation of our rate of growth lies both outside and inside Canada. One principal cause has been the sheer economic force of direct, concentrated and highly organized effort by almost every other nation and bloc of nations to improve the economic status of its people.

During this four-year period of relative economic slowdown the per capita costs of running our national governmental machinery have been growing, and it is little wonder that many honourable senators have been asking in this chamber, over and over again, where is the money coming from, when faced with legislation necessitating additional expenditures for what one might term the day-to-day or current governmental expenditures. Government spokesmen have tended to request us to focus our attention on the benefits of this new legislation, and have actually said that somehow and from somewhere the money will come. Of course it will come—from the taxpayers. It will either be raised now from current taxes of all kinds, or tomorrow and after tomorrow from postponed taxes, to service and to repay our new indebtedness, together, perhaps, with a little bit from a dilution of our currency, to which problem I shall refer later.

According to information from the Public Accounts of Canada, 1957, the total current costs of government—that is budgetary expenditures, to which I am adding the old age security fund payments, because those are day-to-day living expenses—amounted to $5,228 million for the year ending March 31, 1957. This worked out, honourable senators, to $318 per man, woman and child. This was the year when the former Liberal Government was accused of "suffering, in expenditure, from elephantiasis". For 1961-62 I work this per capita figure out as $384—that is the budgetary expenditures plus the old age security payments—which is $66 more than in 1957. It is $264 more annually for that hypothetical Canadian family of four. This $384 figure per man, woman and child does not provide for still another further supplementary estimate, which I think we are going to get this year.

Other things being equal, using the main estimates for 1962-63, plus a five-year average of supplementary estimates of $335 million, and adding to this total the main estimate for old age security payments, plus the additional $125 million we added in legislation we passed just last week, and estimating Canada's population to reach 18,890,000, the per capita figure for the current cost of government for 1962-63 works out to $390 per man, woman and child. This is the result, honourable senators, despite the offset in taxation at the federal level of roughtly $279 million, which is roughly equivalent to the reduction in subsidies and in special payments to the provinces—which really means a shifting to the provinces of an additional per capita tax load of somewhere between $14 and $15.

Now let us deal with budgetary deficits. Our actual 1960-61 budgetary deficit was $340.4 million. Our 1961-62 budgetary deficit has been roughly estimated as being in the neighbourhood of $800 million.

Hon. Mr. Brunt: By whom?

Hon. Mr. Wall: By many competent students of economics and politics.

Hon. Mr. Smith (Queens-Shelburne): Including yourself?

Hon. Mr. Wall: Yes, including myself.

What about 1962-63? Our main estimates for 1962-63 are $6,276 million. To that figure I have to add the $279 million offset which I have already mentioned, the reduction in tax collections to offset the reduction in payments to provinces, to which I add $335 million, which is an average figure for the last five years of supplementary estimates. That gives me a total of $6,890 million, as compared, honourable senators, to $6,282 million so far for 1961-62. That is roughly $600 million more. I do not know how the additional $125 million for old age security, and so on, is to be financed.

Hon. Mr. Aseltine: It is $114.3 million.

Hon. Mr. Wall: I shall make that correction —$114.3 million. That is for old age security, old age assistance, dependants' payments, and so on?

Hon. Mr. Aseltine: That is the $10 increase per capita in old age security payments.

Hon. Mr. Wall: What about the other additional legislation? Let us make it $125 million.

Hon. Mr. Aseltine: Anyone can play with figures.

Hon. Mr. Wall: Suppose we overlook this additional $125 million for old age security and other social welfare payments, and suppose we work with this $600 million increase in budgetary spending plus old age security alone—and we shall discount the $279 million that I was talking about previously.

What is going to happen to our probable 1962-63 deficit? Because of the relative flexibility of the Canadian tax structure which gives us roughly a 2 per cent increase in taxes when the Gross National Product goes up only 1 per cent, we may theorize that a 6 per cent rise in Gross National Product in 1962—and I think that would be a very generous assumption—will bring an increase in revenues of about 12 per cent, or about $700 million to $800 million; and $600 million will go to cover the increased spending I have just mentioned. Where will the balance of between $100 million and $200 million go? Will it go towards decreasing our deficit, or towards providing interesting and significant tax cuts? Will our 1962-63 deficit also be around $700 million—which is what I am estimating it as at the present time, on the basis of present information?

In relative terms of the Gross National Product and population in Canada, a Canadian budgetary deficit of $700 million would mean an analogous deficit in the United States of almost $10 billion; but we know that the President of that country is at least trying to balance the budget.

Small wonder that many competent observers are seriously disturbed at the prospect of still another budgetary deficit of the size we have been having, and that they regard the basic conceptual thinking respecting our fiscal policies as economically unsound and dangerous.

Because the *Financial Post* has been quoted as an authority in this house, perhaps at this point I, too, might make a quotation from it. The January 27, 1962 issue commented thus on the Throne Speech:

> But the prospect of a repetition of 1961-62's probable cash deficit—

Not "budgetary", but "probable cash deficit".

> —of $1.3 billion in a year of clear business expansion is an urgent reminder that Canada is in some very basic difficulties.

I subscribe to the view that constructive fiscal and monetary policies are needed to prevent either unloading upon future generations and upon future production the costs of ordinary day-to-day or current governmental expenditures, or the financing of governmental deficits through beneficent and windfall increases in our total money supply.

Honourable senators know about the somewhat erratic increases in our money supply, in the sense that we have apparently been expanding our supply of money much faster than the expansion in our Gross National Product which is, after all, some kind of a gauge or measure of our total economic activity.

Let me explain. On June 30, 1957, our money supply—that is the currency outside the banks, plus all the chartered bank deposits—totalled $11,499 million. Our Gross National Product for the second quarter of 1957 in current dollars was $31,776 million. So, there was a relationship of $11 billion in money to $31 billion of Gross National Product.

On December 27, 1961, our money supply was $15,076 million, which is $3,577 million more than in 1957—31 per cent more. If we estimate the fourth quarter 1961 Gross National Product, which will not be available until some time in March, at $37,750 million in current dollars, which I think is generous, we find that the increase in the G.N.P. amounted to only 19 per cent, as compared to the money supply increase which I mentioned of 31 per cent.

If, honourable senators, our money supply had continued to bear the same relationship to the Gross National Product as at June, 1957, our December 27th money supply would have amounted to $13,661 million and not $15,076 million or, in other words, just about $1.4 billion less. When one examines the timing—and I want to stress that word—of the large increases in our money supply, namely, from May to November, 1958, and from May to November, 1961, one has a right to wonder whether these money supply increases were based upon the real needs of a growing economy, or whether they were also purposed by the Government's need to finance repeated annual deficits, both budgetary and overall cash needs.

This naturally brings us to a consideration of Canada's debt. A Government return in the other place shows that between March 31, 1957, and March 31, 1961, the net debt of the Government of Canada increased by $1,429,464,000 and the net debt per employed worker increased from $1,923 to $2,056, an increase of $133. On a per capita basis this increase is only $17, rising from $670 to $687 per person. I am speaking here of the net debt.

But, is this the whole story? Suppose we examine what has happened to the amount of Government of Canada direct and outstanding securities from which I have subtracted the holdings of Government accounts and Government bank balances. On June 30, 1957, the total of these outstanding securities was $13,310 million. On January 31, 1962, the total was $17,193 million. This is an increase of $3,883 million, or about 29 per cent.

On a per capita basis this overall debt load increased from $802 to $951 or, roughly, by 18 per cent. For a family of four the increase was $796. On a per employed worker basis this overall debt load increased from $2,307 to $2,827 or, roughly, by 22 per cent.

That is an interesting start, but let us look at what happened to the debt charges. Ah! there's the rub, the debt charges! The annual interest on unmatured debt, including treasury bills of Canada, can be summarized thus: for the year ending March 31, 1957 the debt was $14,368 million, the annual interest—this is the critical point—was $438,232,692; for the year ending March 31, 1961 the unmatured debt was already $16,067,914,914, but the annual interest was $628,338,354. The increase in the debt was $1,699,499,461, or 12 per cent, which is not too bad.

Hon. Mr. Macdonald (Branford): This is for how many years?

Hon. Mr. Wall: From March 31, 1957 to March 31, 1961.

The increase in the annual interest was $190,105,622, or 43 per cent. The interest charge increase per man, woman and child was about $10, or $40 per family of four.

There is another way of calculating these total public debt charges, and that is to take these same points of time, begin with the total interest on public debt, subtract from it the returns on investments, and add the amortization discounts and commissions and other departmental charges. This calculation gives us net public debt charges which we can also show on a per capita basis and on a per employed worker basis. I did this calculation and I obtained these figures: In 1957 the net public debt charge was $327.5 million, which is $20 per capita and $57 per employed person; in 1961 the net public debt charge was $513.8 million—on a per capita basis it is $28.50 which is about 40 per cent more per person, and on a per employed worker basis it is $85, or 49 per cent more.

Honourable senators, I have dealt at some length with key economic indicators, which some say are the outward symptoms of a national economic malaise. That may be too gloomy a view, but it is something about which thoughtful Canadians are confused and deeply troubled for, quite correctly, and apart from the danger of world war and our attendant national security, they regard the problem of economic growth to be the basic problem of overriding national concern.

Quite correctly, they are concerned with real and continual growth rather than with short-term spurts arising from brief cyclical upswings. Quite correctly, they regard real and continual growth as the key to other very important but sequential or auxiliary issues—such as the financing of desirable social services, the location and financing of public works, the expansion of financial aid to universities and colleges, the solving of the Columbia River Treaty problem, and so on.

I respectfully submit that the yardsticks which I have presented, and the continuing scourge of heavy unemployment and our latest immigration figures—which, as I said earlier, are running at just slightly over 10,000 per year which is a drop of about 1,700 per cent since 1957—all bear witness to the need for other policies, together with new trade policies, to help resume our pre-1957 economic growth index, with all that this will mean in our ability and willingness to undertake pressing national improvement projects, be they slum clearance or other needed municipal works, be they national health insurance plans or richer opportunities in education, or be they increased contributions to help the developing countries to help themselves to a better life in freedom. If you look at the main estimates for this year you will notice, honourable senators, that we have made no significant progress in contributing more to help other countries.

Naturally, thoughtful Canadians are aware that there are other important issues upon which there have been no indications of any clear-cut, tangible and positive Government policies. Two very perturbing questions come to mind, as examples.

(1) Should Canada become a nuclear power, really as an adjunct to the United States?

(2) How can our bicultural national structure be strengthened and made more wholesome so that our pluralistic society will feel more secure and happy with and in Confederation? Will the adoption of a national flag help? What else is needed?

Yet, honourable senators, these same thoughtful Canadians, disturbed by what one Canadian publication describes as "Canada's growing isolation from its friends and allies, in trade and defence"—and I give the reference so that honourable senators can follow it up if they wish; *Canada Month*, February 1962, page 19—deeply concerned about the

fact that Canada is apparently being sidelined while other nations are making very significant economic strides—and I refer you to the index figures which Mr. DeYoung so thoughtfully contributed—and, convinced that the sovereign issue is the resumption of our economic growth, these Canadians believe that Canada now needs to take clear-cut and positive action to seize new and exciting opportunities at a time when the whole North American community is altering its character, economic and political. They believe that waiting for the outcome of the developing United States debate on trade policies, and then merely tagging along after the Americans, is not adequate for our present circumstances and is not adequate in terms of the unfolding international situation. They ask themselves this question: Does not the immediate issue revolve around a clear-cut and positive answer as to whether Canada should seize the initiative in seeking some form of North Atlantic common market, or is it better for Canada to wait or even to resist the events which are revolutionizing the affairs of the entire free world?

They answer this question in this fashion: If Canadians are to co-operate with Europe, with the United Kingdom and with the United States in a courageous program of expanding the trade, the wealth, and the power of the free and democratic world by further co-ordination and integration of the free world's economy—about which I spoke yesterday—then we cannot do this by merely talking loudly about our worries or by hanging back. We cannot do this by protecting our uneconomic industries from foreign competition. We cannot do this simply by trying to divide more equitably the "national economic pie" which has not been growing fast enough, thereby resulting in all the symptoms of our economic malaise to which I have referred.

Upon these vital issues, Canadians need and expect clear-cut, understandable, positive and outward-looking policies. Perhaps it was this conviction, which I share, that prompted the *Globe and Mail* on January 20 to summarize its reaction to the Speech from the Throne in these words:

> Taken as a whole, this Speech from the Throne, with its evasion of major issues in a time of crisis, is an inadequate document for a government which has been four years in office.

Motion agreed to.

The Hon. the Speaker: Ordered that the said address be presented to His Excellency the Governor General by such members of this house as are members of the Honourable the Privy Council.

PRIVATE BILL

MUTTART DEVELOPMENT CORPORATION LTD. —SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-7, respecting Muttart Development Corporation Ltd.

He said: Honourable senators, the purpose of this particular bill is to convert a company known as Muttart Development Corporation Ltd., which was originally incorporated by letters patent issued by the Secretary of State on or about August 21, 1958, into a loan company so that the new company will have all the powers and privileges given by the provisions of the Loan Companies Act. It will, of course, be subject to all of the limitations and liabilities set out in that act.

In addition, the sponsors desire to change the name of this company from Muttart Development Corporation Ltd. to Muttart Mortgage Corporation.

I think it would be in order if I were to give a brief explanation why a change such as this is considered necessary. At the time the Muttart Development Corporation Ltd. was incorporated it was given certain powers, among others being the right to deal in real estate and to loan money on the security of real estate.

When the sponsors originally decided to incorporate Muttart Development Corporation Ltd. they had long discussions with the Insurance Department, under the Minister of Finance, about the possibility of incorporating at that time a loan company. However, the requirement of paid-up capital was such that the sponsors could not meet it and for that reason they decided at that time that they would not incorporate under the Loan Companies Act.

The sponsors at that time were quite satisfied if they could obtain the right to buy mortgages, but not to make direct loans. As a result, several consultations and conferences were held with the Director of the Companies Branch of the Department of the Secretary of State who, in turn, consulted the Department of Justice and, after obtaining an opinion from that department, it appeared that a company could be incorporated by letters patent and have the power only to buy mortgages in existence but not to make direct loans.

Accordingly, this company was incorporated and commenced to do business. It purchased mortgages from various building companies operating from the province of Ontario, in the east, to the west coast. This meant that this particular company has been a source

of finance for various companies who manufacture and build houses, take back mortgages on the same, and desire to sell and dispose of their mortgages.

The company has thrived and is prosperous, and the sponsors were quite willing to continue the company with its limited powers. However, honourable senators will recall that during the 1960-61 session of Parliament the Loan Companies Act was amended—in fact, I sponsored the amendments in this chamber—and a change was made by amending the definitive section of the act so that a loan company is now defined in section 2, paragraph (f), as follows:

> "the company" or "loan company" means a company incorporated for the purpose of
> (ii) lending money on the security of freehold real estate, or investing in mortgages or hypothecs upon freehold real estate, either with or without other objects or powers.

This change in the Loan Companies Act was certainly not aimed at Muttart Development Corporation Ltd. However, this company was swept up in it, and now the Insurance Department, under the Minister of Finance, takes the position that this company, from the effective date of the amendment to the Loan Companies Act of 1961, has been exercising powers which belong exclusively to a loan company, and since it was not incorporated under the provisions of the Loan Companies Act, it must stop investing money in mortgages unless the company is converted to a loan company.

Hon. Mr. Farris: Will it be retroactive?

Hon. Mr. Brunt: I doubt very much if it will be retroactive. When I get to the bill, senator, you will understand why I say that.

All persons connected with Muttart Development Corporation Ltd. are anxious to carry on their business of purchasing first mortgages in accordance with the law as it now exists, and it is for that reason that this bill is being introduced to convert this company into a loan company.

I have been given to understand that the matter has been discussed thoroughly with Mr. K. R. MacGregor of the Insurance Department, and that he is content that this should be done. I believe that he is satisfied with the form of the bill which I am now presenting.

With this explanation of the background relating to this particular bill, I would crave your further indulgence for a few minutes to make a brief explanation with respect to the bill itself.

Honourable senators will note that by clause 1 of the bill the original company, now known as Muttart Development Corporation Ltd., is deemed to become a loan company incorporated by special Act of Parliament, and that it shall bear the new name, Muttart Mortgage Corporation.

Clause 2 sets forth in detail all of the directors of the new company, and I understand that each and every one of these persons is at present a director of what I shall refer to as the old company.

Under clause 3, subclause 1, honourable senators will note that a change in the capital stock of the company is proposed. The old company was originally incorporated with two million shares of capital stock, having a par value of $1 each. Under this bill, these shares will be converted into stock having a par value of $10 each. As a result of this the authorized capital will be reduced from two million shares to 200,000 shares, so that each shareholder in the old company will receive one share of capital stock in the new company for each ten shares held by him in the old company.

Hon. Mr. Macdonald (Brantford): The amount of the capital will remain the same?

Hon. Mr. Brunt: Oh, yes, in dollars it remains exactly the same. The par value has been increased ten times. The number of shares to be held by each shareholder will be reduced to one-tenth of the number held in the old company.

The sponsors are also asking that they be given a right to increase the capitalization of this company up to $6 million. By asking for this, they believe they will save themselves the necessity of coming back to Parliament in the future in order to have their act amended.

The head office of the new company will be in Metropolitan Toronto, in the county of York, which is the present location of the head office of the old company.

By clause 6 of the bill, the powers which were granted to the old company by letters patent are cancelled, and clause 7 substitutes the new powers, being those which are conferred on all companies incorporated under the provisions of the Loan Companies Act.

Finally, honourable senators will note that this bill shall not become law until a certificate has been issued by the Minister of Finance pursuant to clause 13 of the Loan Companies Act.

Clause 13 sets forth in detail all of the requirements which have to be met before such a certificate can be issued.

Honourable senators, if this bill receives second reading, it is my intention to move to refer it to the Banking and Commerce Committee, where Mr. K. R. MacGregor, the Superintendent of Insurance the solicitor

acting for the company, and officers of the company will attend to give a much fuller explanation than I have given this afternoon, and, in addition, they will be prepared to answer any questions which may be asked by honourable senators. With respect to the question of retroactivity raised by the honourable senator from Vancouver South (Hon. Mr. Farris), I think we will be able to obtain an answer in committee.

Hon. Mr. Farris: I have in mind your suggestion that the company has been operating in excess of its present powers.

Hon. Mr. Brunt: That is right. I cannot get around it.

Hon. Mr. Farris: Then those operations are void, are they not?

Hon. Mr. Brunt: Well, I would rather not express an opinion, if I may be excused from doing so. They may not have purchased any mortgages for this interim period. I would think that all their operations up until the time that the amendments to the Loan Companies Act passed last year became law would be quite in order; but there is a question as to those transactions which were entered into by the company between that time and the time that this bill becomes operative and effective.

Hon. Mr. Burchill: Did they do anything else besides purchase mortgages?

Hon. Mr. Brunt: I understand not. I have here the statement of the company for the year ending November 30, 1961, which shows interest earned in excess of $300,000, discounts earned—that is, on purchased mortgages in excess of $200,000—and sundry income, $1,586, making a total income of approximately $528,000. The company had a net profit last year of almost $126,000.

Hon. Mr. Macdonald (Brantford): Does the company accept deposits from the public?

Hon. Mr. Brunt: No. The capital is provided by the sale of shares. The company realized from the sale of shares, $1,855,500. The surplus account shows a balance on hand in excess of $144,000. So, the capital account and surplus account now amount to almost $2 million.

Hon. Mr. Macdonald (Brantford): I notice that under clause 7 the company will have all the powers, privileges, etc., under the provisions of the Loan Companies Act.

Hon. Mr. Brunt: Yes.

Hon. Mr. Macdonald (Brantford): Does that not empower the company to accept deposits?

Hon. Mr. Brunt: No, I do not think it does. If deposits are accepted, I think the Trust Companies Act applies. I have never heard of loan companies accepting deposits.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILL

SUN LIFE ASSURANCE COMPANY OF CANADA—SECOND READING

Hon. Lionel Choquette moved, with leave, the second reading of Bill S-8, respecting Sun Life Assurance Company of Canada.

He said: Honourable senators, this is not a complicated bill; it is merely an application by the Sun Life Assurance Company to be given a French name. The first French name of the company was "Compagnie d'assurance sur la vie de Montréal, dite du Soleil". The word "Sun" was translated by the French word "Soleil". Subsequently, this name was changed to "Compagnie Canadienne d'assurance sur la vie, dite du Soleil".

Neither of these names was of any practical use to the company for obvious reasons. Now, the company, in order that its name be recognizable to the public in the French language, has requested what I would consider to be a very sensible French version, although not a precise translation in French of the English version.

The proposed new name, as mentioned in the explanatory note of Bill S-8, is "Sun Life du Canada, compagnie d'assurance-vie".

I would like to clear up the misunderstanding, honourable senators, and I think this is an appropriate occasion to do so, which seems to be prevalent regarding French names of various companies in Canada. In a recent discussion on another measure—and I did not offer an explanation at the time because the bill did not concern me directly—a remark was made that the translation of the name of a company was a coarse translation or, at least not an accurate one, to put it mildly. I have looked up that point of law, and I think I can enlighten honourable senators on it. Parliament is absolutely competent with respect to any company having extra-provincial objects to give that company whatever name it thinks fit, whether in English or in French, or both, and whether or not either name is in perfect English or perfect French. For instance, we could authorize the use of the word "throughway", spelled "t-h-r-u-w-a-y" or the word "enough", spelled "e-n-u-f".

Hon. Mr. Higgins: Enough of that, now!

Hon. Mr. Choquette: The honourable senator to my right says, "Enough of that, now!" He evidently does not want me to mutilate the English language.

There is no constitutional or other requirement that a company must have as its French name an exact or puristic equivalent translation of its English name.

I would hope that the misconception which appears to continue, to the effect that English and French names of companies must be exact translations in each language, may be removed once and for all. It is for Parliament to say what the English name of the company shall be and what the French name of the company shall be; and, unless there is some good reason to change the French name as requested by the petitioner, other than that it is not a precise translation of the English version, then the Senate should accept the French version as suggested. The only problem that Parliament has to consider from time to time is whether a proposed new name might cause the public to confuse the company with some other company with a similar name or with a Government agency.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Choquette, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, February 23, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA—BILL TO AMEND—CONCURRENCE BY COMMONS IN SENATE AMENDMENT

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to acquaint the Senate that they have agreed to the amendment made by the Senate to Bill C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation, without any amendment.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

23rd February 1962

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 23rd February, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General.

The Honourable
The Speaker of the Senate.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1961, pursuant to section 10 of the Department of National Health and Welfare Act, chapter 74, R.S.C. 1952 (English and French texts).

DIVORCE

BILLS—FIRST READING

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-37, for the relief of Simonne Michele Mona Bouchard.

Bill SD-38, for the relief of Anne Marie Asselin.

Bill SD-39, for the relief of Hale Calvin Reid.

Bill SD-40, for the relief of Lorna Scherzer.

Bill SD-41, for the relief of Leomay Marie Blanche Stratton.

Bill SD-42, for the relief of Sylvia Aucoin.

Bill SD-43, for the relief of Frances Cynthia Nevitt.

Bill SD-44, for the relief of Lily Worthington.

Bill SD-45, for the relief of Dorothy Doreen Howell.

Bill SD-46, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-47, for the relief of Joyce Evelyn Ranger.

Bill SD-48, for the relief of Jeannine Furoy.

Bill SD-49, for the relief of Myrtle Alice Southwood.

Bill SD-50, for the relief of Iva Baumgartner.

Bill SD-51, for the relief of Elsie Jean Delisle.

Bill SD-52, for the relief of Josephine Suhr Moseley.

Bill SD-53, for the relief of Christine Johnson.

Bill SD-54, for the relief of Real Richard.

Bill SD-55, for the relief of Monique Remy.

Bill SD-56, for the relief of Paul Emile Niquette.

Bill SD-57, for the relief of Elsa Munch.

Bill SD-58, for the relief of Lygery Varverikos.

Bill SD-59, for the relief of Jeannine Elizabeth Sharpe.

Bill SD-60, for the relief of Anita Cleri.

Bill SD-61, for the relief of John Andrew Milne.

Bill SD-62, for the relief of Germaine Marie Therese Hinksman.

Bill SD-63, for the relief of Mary Catherine Weatherby.

Bill SD-64, for the relief of Gerald William Henderson.

Bill SD-65, for the relief of Eileen Myrtle Burns.

Bill SD-66, for the relief of Anita Margaret d'Esterre.

Bill SD-67, for the relief of Joseph Arthur Norman William Edwards.

Bill SD-68, for the relief of Irene Ross.

Bill SD-69, for the relief of Anna Luella Matthews.

Bill SD-70, for the relief of Gladys Ethel Sarah Bergeron.

Bill SD-71, for the relief of Hazel Durocher.

Bill SD-72, for the relief of Lily (Laura) Anita Karbelnik.

Bill SD-73, for the relief of Margot Scott Connor.

Bill SD-74, for the relief of James Richard Williamson.

Bill SD-75, for the relief of Alma Tremblay.

Bill SD-76, for the relief of Micheline McGuire.

Bill SD-77, for the relief of Miriam White.

Bill SD-78, for the relief of Lloyd James Simpson.

Bill SD-79, for the relief of Felix Hollinger.

Bill SD-80, for the relief of Gizella Ethel Bogoly.

Bill SD-81, for the relief of Francoise Campion.

Bill SD-82, for the relief of Suzi Elizabeth Perry.

Bill SD-83, for the relief of Dawn Dorothea Marsden.

Bill SD-84, for the relief of Pawel Olejnik.

Bill SD-85, for the relief of Joyce Ethel Empey.

Bill SD-86, for the relief of Gabriela Kiwitt.

Bill SD-87, for the relief of Herve Gauthier.

Bill SD-88, for the relief of Jean Alexandria Etheridge.

Bill SD-89, for the relief of John Joseph Huitson.

Bill SD-90, for the relief of Dorothy Irene Marjorie Adams.

Bill SD-91, for the relief of Judith Elizabeth Caron.

Bill SD-92, for the relief of Joan Mary Pearson.

Bill SD-93, for the relief of Glen Stewart Tornay.

Bill SD-94, for the relief of Nellie Rothman.

Bill SD-95, for the relief of Jacqueline Belanger.

Bill SD-96, for the relief of Blima (Wendy) Shapiro.

Bill SD-97, for the relief of Gladys Jean Desjardins.

Bill SD-98, for the relief of Gladys Noreen Monette.

Bill SD-99, for the relief of Celia Lesnik.

Bill SD-100, for the relief of Clara Edith Papp.

Bill SD-101, for the relief of Frances Lyman.

Bill SD-102, for the relief of Anton Welte.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Gershaw, with leave, moved that the bills be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Walter M. Aseltine: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, February 27, 1962, at 8 o'clock in the evening.

Motion agreed to.

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

BILL TO AMEND—THIRD READING

Hon. Walter M. Aseltine, for Hon. George S. White, moved the third reading of Bill C-64, to amend the Civilian War Pensions and Allowances Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

BROCK ACCEPTANCE LIMITED—SECOND READING

Hon. Gunnar S. Thorvaldson moved second reading of Bill S-9, to incorporate Brock Acceptance Limited.

He said: Honourable senators, it will be observed that Bill S-9 is a very short bill. It contains only seven clauses which are set out on one page. It asks for the incorporation of a company to be known as Brock Acceptance Limited. The petitioners for incorporation are three business people, all of whom reside in the city of Winnipeg. They will become the first shareholders of the company,

together with such other persons as may wish to join with them. The capital stock of the company is to be $250,000, of which $100,000 has to be subscribed before the provisional directors may call a general meeting of the shareholders. There is a further provision that the company shall not commence business until $250,000 of the capital stock has been subscribed, and $100,000 paid in on it. The head office of the company is to be in the city of Winnipeg, in the province of Manitoba.

This company is to be incorporated pursuant to Part II of the Small Loans Act. This is provided for by clause 7 which says that all the provisions of the Small Loans Act shall extend and apply to it. It is because incorporation is asked for pursuant to that act, that this bill is in such a short form. It follows the form set out in one of the schedules to the Small Loans Act.

It will be noticed, honourable senators, that the powers and disabilities of the company are not set forth in the bill. That is because they are fully set out in the Small Loans Act. In other words, the company has the rights and the powers, and is subject to the disabilities, set out in that act.

That is, perhaps, all that I need say at this time with respect to this incorporation. If this bill receives second reading, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. W. Ross Macdonald: Honourable senators, the honourable sponsor of this bill (Hon. Mr. Thorvaldson) has explained its provisions, but he has not told us very much about the company. I understand that the company will have all the powers given to it by the Small Loans Act, but I am wondering what type of business it proposes to carry on. Is it going to make small loans or, as one would judge from its name, is it going to accept paper and discount it? I wonder if the honourable gentleman would give us some idea of the nature of the business this company proposes to conduct.

Hon. Mr. Thorvaldson: Honourable senators, I shall be glad to indicate briefly the business the company proposes to conduct. It is asking for the powers given in the Small Loans Act, and proposes to do business accordingly. Section 14 of that act sets out some of the powers given a company incorporated under that act.

> The company may (a) buy, sell, deal in and lend money on the security of, conditional sale agreements, lien notes, hire purchase agreements, chattel mortgages, trade paper, bills of lading, warehouse receipts, bills of exchange and choses in action; and may receive and accept from the makers, vendors or transferors thereof guarantees or other security for the performance and payment thereof and may enforce such guarantees and realize on such security.

That is simply the business of an ordinary acceptance company, as many of these companies are called. They deal in commercial paper. They buy commercial obligations, discount them and collect under them.

Section 14 (b) of the act sets out additional powers extended to these companies, and it is perhaps from these powers we get the name "small loan companies". I shall read only part of subsection (b) which indicates generally the powers of a company in regard to loaning money.

> The company may (b) lend money in sums not exceeding five hundred dollars in amount—

That is why such companies are called small loan companies.

> —and may change, exact or receive or stipulate for the payment by the borrower of a sum of money as the cost of a loan which shall not exceed an amount equivalent to the amounts or rates herein prescribed, namely, in the case of a loan for a period of fifteen months or less, two per cent per month on the amount actually advanced to the borrower and monthly balances thereof from time to time outstanding, and in the case of a loan for a period greater than fifteen months, one per cent per month on the amount actually advanced to the borrower—

I think the reading of these lines is sufficient to indicate the powers of the company in regard to lending money. There is a limit of $500 on the amount of the loans, and there is a ceiling on the interest rate that can be charged, namely, two per cent per month for the first fifteen months, and if the loan is for a longer period the maximum rate is one per cent per month on outstanding balances.

I might say there is a provision in this act which is rather unusual in legislation authorizing the incorporation of companies; that is, if the company is found to deviate from the terms of the act in respect to the way it carries on business, its charter may be taken away.

Hon. Mr. Connolly (Halifax North): Are there any penalties?

Hon. Mr. Thorvaldson: Yes, there is a penalty section. Section 20 provides:

> Every person who transacts the business of a money-lender without a licence,

> contrary to the provisions of this act, or who in any other respect contravenes the provisions of this act, is guilty of an offence and if no other penalty is provided is liable on summary conviction to a fine not exceding one thousand dollars.

That, of course, applies to persons who transact the business of a money lender without a licence. However, section 18 of the act gives the power of cancellation of the charter. It reads:

> If the company, in respect of any transaction of loan, directly or indirectly charges, imposes upon, or demands or receives from or through any borrower, as the cost of any loan, an amount or rate in excess of the amount or rate authorized by this act, the company, in addition to its liability to any other penalty or to any other consequence otherwise provided, is liable to be wound up and to be dissolved if the Attorney General of Canada, upon receipt of a certificate of the minister setting forth his opinion that the company has so charged, imposed, demanded or received, applies to a court of competent jurisdiction for an order that the company be wound up under the provisions of the Winding-Up Act, which provisions in such case apply to the company, as nearly as may be, as if it were an insolvent insurance company.

When I said that the company would lose its charter, that is not strictly correct. The company is subject to being wound up under the provisions of section 18.

Hon. Mr. Macdonald (Brantford): Its charter is not much good after that.

Hon. Mr. Thorvaldson: No, its charter is not much good after that.

Hon. Mr. Macdonald (Brantford): One more question: I am rather curious to know why the name "Brock" has been used, and if there is any significance to the name. Is there any unincorporated company now operating under that name?

Hon. Mr. Thorvaldson: Yes. There is a company incorporated by provincial charter under the Manitoba Companies Act using the name "Brock". It is owned by these people, and presumably it will be dissolved. That is the reason for the use of the name "Brock" by this company.

Hon. Mr. Reid: May I ask the honourable senator if the promoters of Bill S-9 are the same as for Bill S-10, because both bills read the same, and the names of the companies differ only slightly?

Hon. Mr. Thorvaldson: No, they are different people entirely. At least, as far as I know, they are not the same promoters.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Banking and Commerce.

PRIVATE BILL

GERAND ACCEPTANCE COMPANY—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-10, to incorporate Gerand Acceptance Company.

He said: Honourable senators, as has been said by the honourable senator from New Westminster (Hon. Mr. Reid), this bill is in practically identical terms with the Bill S-9 which has just received second reading.

The applicants for incorporation are also Winnipeg people. The persons named will become the provisional directors of the company. The capital stock of the company is to be $250,000. There is the requirement that $100,000 must be subscribed before a general meeting of the shareholders is called. There is also the requirement that the company shall not commence business until $250,000 of the capital stock has been subscribed and $100,000 paid in. The head office of this company is also to be in the city of Winnipeg.

Furthermore, the company is incorporated pursuant to Part II of the Small Loans Act. Everything about this incorporation is identical with the previous measure, except that the name of the company is different and the petition for incorporation is by different people.

Hon. Mr. Reid: Is Gerand the name of a town?

Hon. Mr. Thorvaldson: I must confess I do not know where that name comes from. I do not think any business is now being carried on under that name. It is certainly not the name of a town.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Banking and Commerce.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—SECOND READING

Hon. Lionel Choquette moved second reading of Bill C-66, to amend the St. Lawrence Seaway Authority Act.

He said: Honourable senators, the purpose of the proposed legislation is to amend Section 13 of the St. Lawrence Seaway Authority Act, chapter 242, R.S.C., 1952, to increase the limit of the borrowing power of the Authority to $345 million from $335 million.

Section 13 of the act was amended by 7-8 Elizabeth II, chapter 9 (1959), to increase the borrowing power of the Authority to $335 million from $300 million. This section provides as follows:

> 13. The Authority, with the approval of the Governor in Council, may, from time to time, borrow money from Her Majesty or otherwise for the purposes for which it is incorporated, but the aggregate of the amounts borrowed under this act and outstanding shall not at any time exceed three hundred and thirty-five million dollars.

Section 25 of the act provides that the Minister of Finance, with the approval of the Governor in Council, may, from time to time, make loans to the Authority to the extent only that Parliament has authorized such loans to be made in a fiscal year.

Current commitments, outstanding work, and contractors' claims will exhaust the Authority's present borrowing power. The additional $10 million will be needed for the remaining contractors' claims, land settlements, construction works including the completion of the Cornwall North Channel Bridge, a floating crane and certain remedial works, landscaping and wharf improvements.

The items that I have enumerated require certain expenditures. I have a complete list of those expenditures in detail, and if honourable senators wish me to list them now I shall do so; however, they can be given in committee.

Hon. Mr. Reid: In committee.

Hon. W. Ross Macdonald: Honourable senators, all I have to say on this bill is that the St. Lawrence Seaway is a magnificent undertaking. It was conceived—never forget this—by a Liberal administration, it was started by a Liberal administration, it was almost finished by a Liberal administration, and now this additional sum is required to complete it.

Hon. Mr. Aseltine: The present Government has to provide that money.

Hon. Mr. Macdonald (Brantford): I am sure that all honourable senators will approve second reading of this bill.

Hon. Mr. Crerar: Honourable senators, may I ask the honourable sponsor of the bill if it is expected that this money will complete the program of development, or is there the possibility that in another year we will be asked to put up another $10 million or $15 million?

Hon. Mr. Choquette: Honourable senators, I am not in a position to say. I was asked the same question two years ago and was unable to give an answer. Now the Authority is asking for more money.

Hon. Mr. Crerar: I would take it then that my honourable friend would not be surprised if he has to present a similar bill next year.

Hon. Mr. Choquette: Unless I have the assurance that there is to be a change of Government, there will be no such request.

Hon. Mr. Macdonald (Brantford): I think we can give you the assurance on the first point.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Choquette, bill referred to the Standing Committee on Transport and Communications.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

> An Act to amend the Children of War Dead (Education Assistance) Act.
>
> An Act to amend the Civilian War Pensions and Allowances Act.
>
> An Act to amend an Act respecting the Construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the Purchase by Canadian National Railway Company from The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the Province of Manitoba.

An Act respecting the Construction of a line of railway in the Province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

The House of Commons withdrew.

The Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, February 27, at 8 p.m.

THE SENATE

Tuesday, February 27, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

INTERNAL ECONOMY

REPORT OF CIVIL SERVICE COMMISSION—REFERRED TO COMMITTEE

The Hon. the Speaker informed the Senate that he had received a report from the Civil Service Commission.

Report read by the Clerk Assistant:

CIVIL SERVICE COMMISSION
CANADA

February 21, 1962

To the Honourable the Members of the Senate:

The Civil Service Commission has the honour to submit the following report.

Hon. W. Ross Macdonald: Dispense.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Macdonald (Brantford): Honourable senators, the report should appear in our records, so that we may know what it is about.

Hon. Walter M. Aseltine: That is agreeable. I move, with leave of the Senate, that this report be referred to the Standing Committee on Internal Economy and Contingent Accounts for consideration and report.

Motion agreed to.

For text of report see appendix, p. 257.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Certified copy of the Ordinances of the Northwest Territories assented to on January 25, 1962, as required by section 15 of the Northwest Territories Act, chapter 331 R.S.C. 1952, as amended. (English text).

Report of the Superintendent of Insurance for Canada on Loan and Trust Companies, for the year ended December 31, 1960, pursuant to section 9 of the Department of Insurance Act, chapter 70, R.S.C. 1952. (English text).

PORTRAITS OF PRIME MINISTERS—COMMONS COLLECTION

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, in my fan mail I have received an important letter from the Côte d'Azur and it is my duty to inform you about its contents. It comes from the other gentleman who knew the late Lord Bennett as well as I knew him. We are the two living persons who knew him better than anybody else. I am referring to my good friend, Lord Beaverbrook.

I have in my hand a letter from Lord Beaverbrook. If you are interested in it I shall read it to you; if not, I shall put it in my pocket.

Hon. Mr. Brunt: You might as well read it.

Hon. Mr. Pouliot: I shall read it. It is not a long letter, but it is full of meaning.

The Hon. the Speaker: Proceed.

Hon. Mr. Pouliot: The letter, dated February 21, 1962, is addressed to me at Ottawa, and is headed "La Capponcina, Cap d'Ail, A.M."—that means Alpes-Maritimes—"France", and reads as follows:

Dear Senator:

"Dear Beaver" has not changed his mind. It is his money that he is changing.

The painting of Bennett is very bad. If a posthumous painting would suit the corridors of the House of Commons, I would be glad to provide it.

Yours sincerely,
Beaverbrook

In a couple of days, if you are still interested in the matter, I will read you my answer to his Lordship.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-37, for the relief of Simonne Michele Mona Bouchard.

Bill SD-38, for the relief of Anne Marie Asselin.

Bill SD-39, for the relief of Hale Calvin Reid.

Bill SD-40, for the relief of Lorna Scherzer.

Bill SD-41, for the relief of Leomay Marie Blanche Stratton.

Bill SD-42, for the relief of Sylvia Aucoin.

Bill SD-43, for the relief of Frances Cynthia Nevitt.

Bill SD-44, for the relief of Lily Worthington.

Bill SD-45, for the relief of Dorothy Doreen Howell.

Bill SD-46, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-47, for the relief of Joyce Evelyn Ranger.

Bill SD-48, for the relief of Jeannine Furoy.

Bill SD-49, for the relief of Myrtle Alice Southwood.

Bill SD-50, for the relief of Iva Baumgartner.

Bill SD-51, for the relief of Elsie Jean Delisle.

Bill SD-52, for the relief of Josephine Suhr Moseley.

Bill SD-53, for the relief of Christine Johnson.

Bill SD-54, for the relief of Real Richard.

Bill SD-55, for the relief of Monique Remy.

Bill SD-56, for the relief of Paul Emile Niquette.

Bill SD-57, for the relief of Elsa Munch.

Bill SD-58, for the relief of Lygery Varverikos.

Bill SD-59, for the relief of Jeannine Elizabeth Sharpe.

Bill SD-60, for the relief of Anita Cleri.

Bill SD-61, for the relief of John Andrew Milne.

Bill SD-62, for the relief of Germaine Marie Therese Hinksman.

Bill SD-63, for the relief of Mary Catherine Weatherby.

Bill SD-64, for the relief of Gerald William Henderson.

Bill SD-65 for the relief of Eileen Myrtle Burns.

Bill SD-66, for the relief of Anita Margaret d'Esterre.

Bill SD-67, for the relief of Joseph Arthur Norman William Edwards.

Bill SD-68, for the relief of Irene Ross.

Bill SD-69, for the relief of Anna Luella Matthews.

Bill SD-70, for the relief of Gladys Ethel Sarah Bergeron.

Bill SD-71, for the relief of Hazel Durocher.

Bill SD-72, for the relief of Lily (Laura) Anita Karbelnik.

Bill SD-73, for the relief of Margot Scott Connor.

Bill SD-74, for the relief of James Richard Williamson.

Bill SD-75, for the relief of Alma Tremblay.

Bill SD-76, for the relief of Micheline McGuire.

Bill SD-77, for the relief of Miriam White.

Bill SD-78, for the relief of Lloyd James Simpson.

Bill SD-79, for the relief of Felix Hollinger.

Bill SD-80, for the relief of Gizella Ethel Bogoly.

Bill SD-81, for the relief of Francoise Campion.

Bill SD-82, for the relief of Suzi Elizabeth Perry.

Bill SD-83, for the relief of Dawn Dorothea Marsden.

Bill SD-84, for the relief of Pawel Olejnik.

Bill SD-85, for the relief of Joyce Ethel Empey.

Bill SD-86, for the relief of Gabriela Kiwitt.

Bill SD-87, for the relief of Herve Gauthier.

Bill SD-88, for the relief of Jean Alexandria Etheridge.

Bill SD-89, for the relief of John Joseph Huitson.

Bill SD-90, for the relief of Dorothy Irene Marjorie Adams.

Bill SD-91, for the relief of Judith Elizabeth Caron.

Bill SD-92, for the relief of Joan Mary Pearson.

Bill SD-93, for the relief of Glen Stewart Tornay.

Bill SD-94, for the relief of Nellie Rothman.

Bill SD-95, for the relief of Jacqueline Belanger.

Bill SD-96, for the relief of Blima (Wendy) Shapiro.

Bill SD-97, for the relief of Gladys Jean Desjardins.

Bill SD-98, for the relief of Gladys Noreen Monette.

Bill SD-99, for the relief of Celia Lesnik.

Bill SD-100, for the relief of Clara Edith Papp.

Bill SD-101, for the relief of Frances Lyman.

Bill SD-102, for the relief of Anton Welte.

Motion agreed to and bills read second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—SECOND READING

The Senate resumed from Wednesday, February 21, the adjourned debate on the motion of Hon. Mr. Blois for the second reading of Bill C-68, to amend the Export Credits Insurance Act.

Hon. Gunnar S. Thorvaldson: Honourable senators, I believe there is general agreement that the Export Credits Insurance Act has been a most useful and appropriate method of assisting Canadian industry to enable its products to compete with those of other countries in foreign markets. It is therefore quite consistent with our growing international trade that it should become necessary from time to time to place more capital at the disposal of the Export Credits Insurance Corporation. That is the purpose of this bill.

I am sure it is a matter of satisfaction to all Canadians to know that during the past few years Canada's external trade has been growing at a very creditable rate. In the case of some countries, such as the United States, foreign trade is a small factor in their total trading activities over any given year. Indeed, I recall figures I gave in this house one or two sessions ago which showed that whereas the total foreign trade of the United States amounted to approximately 7 per cent of its Gross National Product in any year, that of Canada amounted to 31 per cent of its Gross National Product. That indicates how much more dependent our economy is upon foreign trade than is that of the United States. As I have said, our total foreign trade is, on a percentage basis, several times that of the United States; and, consequently there has been common consent, I believe, for the view that an expanding foreign trade is one of our important means of maintaining steady economic progress for Canada and, of course, at the same time it is a large factor in meeting the problem of Canadian employment.

I have spoken of an expanding foreign trade without saying how much it has grown in the last few years. The fact is that in 1956 our total export of goods amounted to $4.8 billion, and in 1961 to $5.7 billion, an increase of $900 million or a percentage increase of 19 per cent over this period. At the same time our imports increased from $5.5 billion to $5.7 billion, a percentage increase of 3.5 per cent. By the way, these figures in regard to imports are from October 1, 1960 to October 1, 1961, and are the latest available.

As is well known, there has been a most gratifying increase in our foreign trade in 1961 over preceding years, which fact is, I am sure, one of the key reasons for the very greatly increased prosperity which is now so apparent in this country.

In this regard, I observe from the February 16 Dominion Bureau of Statistics Weekly Bulletin that in the third quarter of 1961—the months of July, August and September—commodity imports were at an all-time high for the period, having a value of $1,417,300,000, and being 9.4 per cent higher than a year earlier.

From the D.B.S. bulletin of February 9 I observe that Canada's exports for the month of November, 1961 were 13.6 per cent in excess of the same month in 1960; and I say, further, that this figure of between 13 and 14 per cent, is our present rate of increase of exports over similar periods of 1960. Indeed, the latest D.B.S. bulletin, dated February 23, gives the estimated value of Canada's commodity imports for the whole year, 1961, at $5,794,500,000—the highest value on record—up 5.5 per cent from the previous year's total of $5,492,300,000.

But apart from the size of these figures as to the greatly increased volume of foreign trade, one other factor in our trading relationships that is of great importance, certainly in so far as the strength of our economy is concerned, is the relative balance of merchandise imports and exports. There are, of course, some countries that have huge "invisible" exports such as the United States and the United Kingdom, and which can, therefore, afford large adverse imbalances in their commodity trade. But that is not the case with Canada. In view of our traditional position in regard to these invisible items, namely, interest and dividend payments abroad, travel costs, shipping charges, insurance etc., we must make every reasonable endeavour to achieve a favourable balance on our foreign commodity trade. So, I think it is most gratifying that 1961 was the first year since 1952 that we have exported more goods than we bought. Until now, the last favourable trade balance that we had was in the year 1952, when the balance, to the nearest million, was $420 million.

The figures in this regard for the years 1953 to 1960 are as follows:

Year	Balance against us
1953	$ 95 million
1954	$ 41 „
1955	$239 „
1956	$713 „
1957	$589 „
1958	$156 „
1959	$368 „
1960	$ 97 „

In the eleven months, January to November, 1961 we had a favourable balance of $27 million, for the first time since 1952.

These figures are taken from the Dominion Bureau of Statistics publication "Review on Foreign Trade" for the current year 1960; and of course the latter figures are also from D.B.S.

I think it is of great importance to our economy that we do not relax in our drive to sell our goods to the world. I believe the Minister of Trade and Commerce and the Minister of Agriculture are entitled to great praise for their success in increasing Canada's exports. I am sure that Canadians generally who give thought to the more important factors of our economic life, are well aware of the sound and purposeful efforts of these ministers and their associates.

Let me give you one case in point, namely, the position of our grain-growing farmers of western Canada. Up until 1961 our wheat growers, especially, were fighting a grim and losing battle. It is bad enough for farmers to have to face the hazards of drought, insects and plant diseases, hail and other types of catastrophe, without having to face the everlasting prospect of not being able to sell what is produced. There was utter discouragement in western Canada because of this latter fact, but now the picture is completely changed. As a result of adopting bold yet sensible policies in regard to the sale of wheat to China and other countries which previously were not customers, and through sales financed by Canada by means identical with the methods used by the Canadian Export Credits Insurance Corporation, the outlook and attitude of the western Canadian farm community has changed from one of despair to confidence. That confidence is part of the reason for the general booming prosperity in western Canada today.

Now, honourable senators, I am not blaming any previous government for the fact that in Canada wheat became a drug on the market, that it was running out of our ears. But I might draw attention to the fact that our friend and neighbour to the south of us, by the policy of placing the United States Treasury behind the wheat growers of that country and thereby piling up enormous artificial surpluses of wheat, and by adopting giveaway wheat sale policies, represented by sale of wheat for soft currencies and other methods, brought our wheat-growing industry in western Canada to a virtual standstill. This is not necessarily a criticism of United States policies—it is merely a re-statement of facts that are well known.

However, coming back to our general trading position, I submit that the fact of our present highest volume of foreign trade in Canada's history, and the further fact that our present trading position is now in balance and a little better, is a result of the foundation that has been laid in recent years by the application of sane and correct government policies, fiscal and otherwise, and the carrying out of these policies with vigour, enthusiasm and good sense.

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman one question for information only? Was the wheat that went to China sold under the credits provided by the Export Credits Insurance Act?

Hon. Mr. Thorvaldson: No. I said it was sold under principles that were really identical with the principle underlying the act.

Hon. Mr. Macdonald (Brantford): But not under this act?

Hon. Mr. Thorvaldson: No, not under this act.

Hon. Mr. Pratt: Do the figures that you gave as to the improvement in the balance of trade include the figures on wheat sold to China on the long-term basis?

Hon. Mr. Thorvaldson: I would think so.

Hon. Mr. Pratt: Have you any figures to show what that amounted to over the past two years?

Hon. Mr. Thorvaldson: No, but they are very considerable. Wheat sales have been quite large, as we all know.

Honourable senators, by reason of various discussions which have taken place recently in regard to Canada's trading relationships with Cuba, it might now be appropriate for me to set out the position of this country as I personally view it. I shall try to do so in proper perspective, and without the hysteria and appeals to passion and prejudice that have characterized so many of the remarks on the subject, even in this chamber.

In the first place, let me say this: there appear to be some people who—if they mean what they say and are not speaking merely in the hope of easy political gains—believe that Canada should adopt a trading posture vis-à-vis Cuba which would be different from any country in the world except presumably, the United States.

These people do not presume to disclose, of course, what they think our policy ought to be in this respect, but cloak their remarks by appeals, not to reason but to unreasoning prejudice, and getting newspaper headlines by, for instance, referring to the export to Cuba of dynamite—the export in question being not dynamite, but blasting powder, which is used in road building. Incidentally, the honourable member for Toronto-Spadina (Hon. Mr. Croll) did not disclose in his remarks that one of the articles sold by Canada to Cuba was radioactive isotopes used in

treating cancer. I would think in the honourable senator's view this should be a very dangerous substance to send to Cubans.

Hon. Mr. Crerar: May I ask my honourable friend a question? Are the exports to Cuba guaranteed under the provisions of this act?

Hon. Mr. Thorvaldson: No exports to any country are guaranteed under the provisions of this act unless they are sold on credit. My information is that nothing is sold on credit to Cuba—everything that is sold to Cuba by Canada and I presume by every other nation, is sold for cash.

Hon. Mr. Crerar: If that is the case, what bearing has this discussion of Cuba got to do with whether or not we should amend this act?

Hon. Mr. Aseltine: The other day that point was raised on the other side.

Hon. Mr. Thorvaldson: I would think that those who were here a few days ago and heard the speech then made by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) under this bill in regard to trade with Cuba, would allow me to proceed to reply. I will admit, however, that if during these remarks some objection is taken, then strictly speaking, I might be ruled out of order. I suggest it is only appropriate that I be allowed to reply to the honourable gentleman's statement.

Hon. Mr. Crerar: Mr. Speaker, all I wish to observe is that the remarks which the honourable gentleman is making are distinctly out of order.

Hon. Mr. Thorvaldson: Honourable senators, if I may proceed, I want to say this about blasting powder—

The Hon. the Speaker: Just a moment. There is a point of order which has to be disposed of. I believe the point of order is not well taken. Today we are of course not giving credit to Cuba, but any country which we may deal with on credit may be discussed under this bill. The question was discussed the other day without objection when I was not in the Chair, so I shall allow the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) to proceed.

Hon. Mr. Thorvaldson: So, honourable senators, let me say this about blasting powder: It is about as useful in modern warfare as the ancient bow and arrow or a couple of feathers. That is well known.

Perhaps one more thing ought to be said on this phase, and on this point I take my cue from an editorial published in the Toronto *Globe and Mail* on February 19 which, I think, was two days before the speech of the honourable senator to which I have referred. The editorial is entitled, "Besmirching Canada's Name." I quote from it because I desire to adopt it completely as my own words, with regard to this subject.

Hon. Mr. Macdonald (Brantford): I hope it is not too long.

Hon. Mr. Thorvaldson: I am adopting these words as my own.

Hon. Mr. Aseltine: The honourable senator from Toronto-Spadina (Hon. Mr. Croll) quoted page after page the other day.

Hon. Mr. Macdonald (Brantford): I understood His Honour the Speaker made a ruling against the reading of long quotations.

Hon. Mr. Thorvaldson: I am reading but a few excerpts.

The Hon. the Speaker: Does the honourable senator adopt the words of this editorial?

Hon. Mr. Thorvaldson: I adopt these words as my own. They summarize very succinctly the argument I wish to present to this house. The article states, in part:

> It is the right, and indeed the duty, of Parliamentary Opposition to criticize the Government's actions, and under normal circumstances it is idle for anyone to reproach it for doing so. Nevertheless, the campaign which the Liberals have been waging for the past two weeks on the subject of trade with Cuba is open to very serious criticism. It is not only wholly unjustified, but it may create serious doubts and misunderstandings between Canada and other countries.

I read a further paragraph from this editorial:

> What grounds have the Liberals for questioning the Government's good faith in this matter? What evidence have they that the Cabinet has permitted the export of strategic materials in violation of its pledge? So far they have not cited a single instance of weapons, ammunition or anything that would normally be called military equipment being shipped to Cuba from this country.

The Hon. the Speaker: If any of these articles or editorials have to do with the debates of the other house, I shall not permit them to be quoted.

Hon. Mr. Thorvaldson: Generally, they deal with the sniping that has occurred throughout Canada with regard to this matter.

The Hon. the Speaker: I just wanted to make sure that my ruling was understood.

Hon. Mr. Thorvaldson: I now wish to quote the last paragraph of the editorial:

> No doubt party strategists hope that by beating the drums on this matter they may gather votes in areas where anti-communist feeling is strong. It is very doubtful, however, if an election can be won on so artificial an issue. The main effect of the Liberal accusation can only be to besmirch Canada's good name abroad by suggesting that we are secretly violating international obligations.

Honourable senators, there seems to be a lot of good common sense in the content of this editorial. However, as we all know, for prominent Canadians to besmirch Canada's name abroad is always good headline material and, indeed, let us not overlook the possibility that in some quarters it might be useful political propaganda.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, on a point of order, if the honourable gentleman is suggesting that any honourable member of this house has besmirched Canada's name abroad, he should withdraw such an accusation. He cannot accuse an honourable senator of besmirching Canada's name.

The Hon. the Speaker: Do you contend that he has done so?

Hon. Mr. Macdonald (Brantford): I do not know that he has, but he has not made himself clear.

The Hon. the Speaker: Well, if you do not so contend, there is no point in ruling on it.

Hon. Mr. Thorvaldson: I have not made any accusation of that kind.

Hon. Mr. Pearson: It seems to me that honourable senators on the other side are a little touchy on this subject today.

Hon. Mr. Macdonald (Brantford): I am not at all touchy. I might say, with all due respect to the *Globe and Mail*, that the honourable senator could have expressed much better himself what is said in that editorial.

Hon. Mr. Thorvaldson: Honourable senators, I now want to say something about our position vis-à-vis the rest of the world in our trading relationships with Cuba. There was a time many years ago, in our relationships with Great Britain, when many Canadians took the view described by the phrase "Ready, Aye Ready", whenever Britain was in trouble in any part of the world. That attitude has, of course, been dead for a long time.

It appears that there are some people in Canada today who believe that our foreign policy towards Cuba should be a servile one, following the United States position. Surely, that is not the view of the overwhelming majority of Canadians.

In this discussion it should be unnecessary to re-state our Government's attitude towards Cuba. On two occasions recently—

Hon. Mr. Crerar: May I interrupt? I protest, honourable senators, against the political discussion of a bill that seeks to do two things: firstly, to increase the board of directors of the corporation by one member; and, secondly, to increase the amount of guarantees by $100 million. If my honourable friend wants to make a political speech —and he is evidently keenly bent on doing so—I submit this is not the appropriate occasion. I should like him to tell us whether or not he favours the amendments proposed in the bill and, if he does, the justification for them.

Hon. Mr. Aseltine: I might remind the honourable senator from Churchill (Hon. Mr. Crerar) that such a speech as he describes was made just last week.

Hon. Mr. Horner: Might I ask the honourable senator from Churchill whether he wants all the political speeches to emanate from only one side of the house—his side?

Hon. Mr. Thorvaldson: On two occasions recently the Prime Minister has been outspoken in his firm denunciation of the criminal regime presently ruling Cuba. I would hope that a similar attitude of disgust towards Cuba prevails in the United Kingdom, France and other NATO countries, together with some, but perhaps not all, of the nations of South America.

Except for the NATO countries, of which we are one, countries of the world generally have done business freely in all types of goods with communist countries. The NATO countries have compiled a list of goods which is an enumeration of various types of military supplies, machinery for the manufacture of armaments and the like, which the member countries have agreed not to export to communist countries. Needless to say, Canada has never violated its agreement with its NATO partners in this regard and, as far as I know, no one has alleged that we have done so.

Reverting to the subject of blasting powder, is there anyone who would suggest that if Cuba could not have purchased this material from Canada for its road building, or for other domestic purposes, it would not have purchased it from any other NATO country excepting the United States or from scores of other countries of the world?

Let me add this: where has Cuba acquired the foreign exchange with which to buy its goods from other countries?

Hon. Mr. Vien: Honourable senators, I rise on a point of order. I have listened to the quotations which the honourable gentleman from Winnipeg South (Hon. Mr. Thorvaldson) has read and to the point of order raised by the honourable senator from Churchill (Hon. Mr. Crerar), drawing the attention of this house to the fact that the honourable senator from Winnipeg South is going very far afield from the subject matter presently under consideration by this house.

The order which is now before us is:

> Resuming the adjourned debate on the motion of the Honourable Senator Blois, seconded by the Honourable Senator Buchanan, for second reading of Bill C-68, intituled: "An Act to amend the Export Credits Insurance Act".

The honourable senator from Churchill has already pointed out that this bill has but two objects: (a) to add one member to the board of directors; and, (b) to raise the amount available by $100 million.

The Hon. the Speaker: The second object is an important one.

Hon. Mr. Vien: Therefore, I suggest that a discussion of the relationship of Canada or any NATO country with Cuba is absolutely foreign to the subject matter of the bill under study. I raise that point of order.

The Hon. the Speaker: I have already ruled on the objection but I could give you additional reasons for my ruling. I must be impartial as much as possible and I am trying to be.

I understand that during my absence from the Chair last Wednesday the honourable senator from Toronto-Spadina (Hon. Mr. Croll) proceeded, without objection from honourable senators on my right, to discuss at great length the question of our trade with Cuba and the policy of the Government in that respect. In my effort to be impartial, I think I should give the other side of the house a chance to reply as to the effect of increasing by $100 million the credit that may be made available not only to Cuba but to other nations. So far we have not extended credit to Cuba, but we might be forced to do so in the future. The honourable senator from Winnipeg South is now making a speech on credits granted to other nations; and Cuba is a foreign country with which we are already trading. He is also replying to the honourable senator from Toronto-Spadina, as he has stated.

I have already ruled on this point of order, and my ruling stands.

Hon. Mr. Thorvaldson: I was dealing with the question as to where Cuba could get most of its currency to make purchases abroad, and I said very little came from Canada, as we buy very little from Cuba; but a great deal has come from the United States which, up to now at least, has made large purchases from Cuba. Therefore, what is the present position?

Canada is merely one nation among the other NATO countries—excepting just now, the United States—which continue to trade with Cuba but, of course, on a restricted list of goods. The United States at the recent conference of Organization of American States members at Punta del Este attempted to, and did, in fact, persuade some of the Latin American countries to restrict their trade with Cuba, but only in military and strategic commodities—that is, generally, arms and implements of war.

It is also of interest to note that although there was a vote of 16 to 1 in favour of this resolution, which was No. 8 on the agenda of the conference, there were four abstentions—Brazil, Ecuador, Mexico and Chile. It is of greater interest to realize that only now has the Organization of American States agreed to a course of action that has been voluntarily followed by Canada in the past.

Now to come to another phase of this matter. In Paris during the last few days the United States has been trying to induce its NATO partners to take certain repressive actions against Cuba. Indeed, from what I learn, it would appear that our NATO partners have, up to now, been selling armament and strategic materials to Cuba. In other words, Cuba has not yet been subject to the ban in respect of these commodities which has been applied to other communist countries by our NATO partners.

I think the most up-to-date information on this question is contained in a news item from the New York *Times* Service under a Paris dateline of February 20. I take this item from the *Gobe and Mail* of Wednesday, February 21, 1962. It is headed: "NATO hears U.S. Plea for Ban on Strategic Exports to Cuba", and reads as follows:

> The United States today asked its North Atlantic Treaty Organization allies to add Cuba to the list of communist states with which trade in strategic materials is voluntarily banned.

That indicates clearly that there has been no ban up to the present time by any of our NATO partners in regard to strategic materials to Cuba.

Hon. Mr. Macdonald (Brantford): What has that got to do with Canada?

Hon. Mr. Thorvaldson: Very much. I am just coming to that, if the honourable senator would let me go on.

> The request was made to the permanent council of NATO by Walt W. Rostow, director of the State Department's policy planning council . . .
>
> His visit was designed to win European support for the sanctions decided against the Castro regime by the Organization of American States at a meeting last month in Punta del Este, Uruguay.

Then, reading another paragraph:

> While the U.S. appeal for general curbs on trade with Cuba is likely to be treated with reserve, the question of banning arms, munitions and other strategic goods from Cuba is not expected to cause much trouble.

Hon. Mr. Macdonald (Brantford): Who said that?

Hon. Mr. Thorvaldson: That is a news item from the New York *Times* Service, in an article written by W. Granger Blair.

Hon. Mr. Macdonald (Brantford): It is somebody else's opinion.

Hon. Mr. Thorvaldson: Oh no, that is not an opinion at all; these are facts. I say to the honourable senator: these are facts. Canada is the only country in the world which has assumed a voluntary ban against the shipment of strategic materials to Cuba—that happened nearly two years ago. Our NATO partners have been consistently shipping strategic materials to Cuba until perhaps now the United States is asking its NATO partners to apply an embargo on those strategic materials.

Hon. Mr. Macdonald (Brantford): At the end of my honourable friend's quotation he gives somebody's opinion as to what the result would be.

Hon. Mr. Thorvaldson: Well, yes; I think there was an opinion in the news item. If honourable senators will read the news item, they will see it is fairly obvious that the NATO nations are now going to agree to place a ban on the export of strategic materials to Cuba. This is simply an opinion which I believe has been borne out by fact during the last week.

However, you will have noticed also newspaper reports that Great Britain has refused to apply a ban in regard to its ordinary trade with Cuba.

Hon. Mr. Macdonald (Brantford): I still do not see what it has to do with Canada.

Hon. Mr. Thorvaldson: I think it all has to do with the speech which was made the other day by the honourable senator from Toronto-Spadina (Hon. Mr. Croll).

Hon. Mr. Macdonald (Brantford): That is not my recollection.

Hon. Mr. Croll: While the honourable senator is quoting the speech, and making statements that Great Britain will continue to trade with Cuba, will he also give the reasons? This newspaper article gives the reason why Great Britain is continuing her trade with Cuba. It says in the report of February 20 that Cuba has defaulted in her obligations, and Great Britain is providing her with money in order to meet her obligations.

Hon. Mr. Thorvaldson: Is that not quite logical?

I would like to read now a London dispatch which refers to cigars:

> The British Government today rejected a suggestion that British imports of cigars from pro-communist Cuba should be cut in favour of imports from Jamaica, a member of the Commonwealth.
>
> The suggestion was made in the House of Commons by Nigel Fisher, a Conservative member of Parliament.

That is all that is said in this particular dispatch, but quite recently there was an article in, I think, the *Gazette* which contained the information that has just been given.

Hon. Mr. Macdonald (Brantford): It is about time we got back to the bill.

Hon. Mr. Croll: Cigars—that does not seem to be very strategic material.

Hon. Mr. Aseltine: You started it.

Hon. Mr. Thorvaldson: On February 22 last the Ottawa *Journal*, reporting a speech made by the honourable senator from Toronto-Spadina, said:

> Senator David Croll charged that Canada is asking for trouble with the United States by continuing to trade with Cuba.

Now, if that is an accurate report, does the honourable senator aver that we should just say, "Me, too" to the United States in regard to all its Cuban policies? Does he imply that Canada is in deeper trouble with the United States than, say, Mexico or Brazil, who have not even banned the sale of arms or strategic materials to Cuba? Does the honourable senator suggest that the United States will invade us or just stop trading with us? And then, is the United States also going to take the same steps against Mexico, Brazil, Ecuador and Chile, who abstained from the vote on the Punta del Este resolution No. 8?

Hon. Mr. Macdonald (Brantford): Is the honourable senator posing these questions himself?

Hon. Mr. Thorvaldson: Well, they follow naturally from the speech of the honourable senator from Toronto-Spadina.

Hon. Mr. Macdonald (Brantford): I do not know whether the honourable senator is still reading from the editorial or is asking questions.

Hon. Mr. Thorvaldson: No, this is my own speech.

The Hon. the Speaker: Perhaps the honourable senator will indicate when he is quoting.

Hon. Mr. Thorvaldson: I have not been quoting for some time.

Will the United States just select Canada as a whipping boy for the reason that we have, in Canada, people who are willing to distort and misrepresent, by insinuation but not by fact, Canada's trade relationships with a country the government of which admittedly we do not like? Have we any evidence of an official United States attitude to Canada in regard to this subject?

I think the best witness I might call in that regard is Mr. Max Freedman, the special correspondent in Washington of the Manchester *Guardian* and many newspapers in Canada. I refer to an article by him which appeared in the Ottawa *Journal* of Saturday, February 24 last, and I would like honourable senators to hear what he says in regard to Canada's position vis à vis this problem. I quote:

> Washington—In the highest reaches of the Kennedy administration there is a sensitive and prudent respect for Canadian opinion on the Cuban problem.
>
> There is no wish to challenge Canada's right to an independent opinion, no desire to start a campaign to bring Canada into harmony with the Organization of American States which has unanimously ruled that Castro's Cuba is incompatible with the security of this hemisphere.
>
> Even a casual criticism by a minor American official is magnified into a bitter indictment of Canadian policy by some sections of the Canadian press.
>
> In some instances, statements by Americans without political influence of any kind have been placed on the front pages of Canadian papers as if these men were speaking for the Kennedy administration.

Honourable senators, let me conclude with this paragraph:

> The administration is ready to acknowledge with gratitude that none of Canada's trade with Cuba has brought the Castro government the goods and supplies which it most urgently needs.

Hon. Mr. Macdonald (Brantford): Does Mr. Freedman give his authority for making that statement?

Hon. Mr. Thorvaldson: No, he does not give any authority. It is a matter of knowledge.

Hon. Mr. Macdonald (Brantford): Again, it is just his opinion.

Hon. Mr. Thorvaldson: I do not think anybody in this country has suggested that any material Canada has shipped to Cuba has been in the nature of armaments or strategic materials. Mr. Freedman said:

> There has been no trade at all in strategic supplies and military equipment.
>
> Canada's trade has the advantage of draining off Cuba's limited dollar reserves, thus making it harder for the Castro regime to finance its illicit trade in strategic materials.
>
> This illicit trade with various countries is causing more concern to the United States than anything done in the public trade with Canada.

So, honourable senators, I submit that Canada has acted in a responsible, honourable and correct manner in its trade relationships with Cuba. Clearly we owe the duty to ourselves and also to the United States to do everything that we reasonably and responsibly can do to put an end to the criminal regime now in power in Cuba. But I take the position that the best way to do this is not necessarily to echo "Me, too" in respect to every action taken by the U.S. State Department in relation to Cuba. Rather, we should act responsibly and intelligently, and follow the lessons of history.

Recent history tells us that undue repression in circumstances such as these may not be and, indeed, is not the right answer to the problem of Cuba and the inherent danger that it presents to this continent.

That appears to be the common conviction of the large majority of our NATO partners whose background of experience and patience in international affairs has generally borne fruitful results. Canada cannot go far wrong in adapting its Cuban policy to these principles.

In concluding these remarks I want to say this: as to co-operating with our friend the United States in its difficult relationship with Cuba, Canada has a better record than any country in the world. We are the only country in the world apart from the United States, who nearly two years ago adopted a policy

of voluntary abstention from the sale of armaments and strategic materials to Cuba. At that time we gave our solemn pledge to the United States that we would take every precaution to prevent trans-shipment of United States goods to Cuba. We would have learned about it very quickly if that pledge had not been honoured.

So far as I know, at no time has the United States officially complained to Canada that our trading position vis-à-vis Cuba was not correct; nor have they asked us to alter our present policy in that regard, nor is that country likely to do so, having regard to the facts that I have given you. Furthermore, let us recall that the United States has in the past year supplied Cuba with fifteen times the number of dollars that Canada has for the purpose of purchasing goods in other parts of the world.

Honourable senators, Cuba is a thorn in the flesh to us all. That is certainly the view of nearly all Canadians. I am sure it is the view of our Government. But we, especially in this body, are aware that world order would soon vanish if nations ceased to be governed by principles and, instead, determined their course by day-to-day expediency. I submit to you, honourable senators, that no government could have followed a more correct or a more honourable course than has the present administration in its recent trade relationships with Cuba.

Hon. T. A. Crerar: Honourable senators, this bill is comparatively simple. It is concerned with two things.

Hon. Mr. Aseltine: Honourable senators, I would like to ask the honourable senator a question. Was he present last week when the honourable senator from Toronto-Spadina (Hon. Mr. Croll) devoted nearly all his speech on this bill to Canada's trade with Cuba?

Hon. Mr. Crerar: If my honourable friend the Leader of the Government in this house (Hon. Mr. Aseltine) had restrained himself, as he usually does, for a short time he would have had no occasion to rise and ask the question he did. I am speaking of the bill. I support the bill. I support it because experience has demonstrated that it is a useful measure.

This act has been on our statute books quite a while; its principle was approved by Parliament when the legislation was first introduced, and experience since has proven that it is a sound principle. That has to do with the bill.

I come now to the other matter. I was not in the house last week, as honourable senators will recall, because I happened to be a bit under the weather with an attack of flu. I was quite unaware of the discussion that took place last Wednesday, February 21.

I have glanced hastily over the debate which took place at that time. The remarks of the sponsor of the bill (Hon. Mr. Blois) were entirely appropriate, and they dealt with the measure. It is my opinion that much that was said by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) was distinctly out of order, and should have been objected to by the other side of the house. But, if he was out of order then, because two wrongs do not make a right, I submit that the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) is also out of order, and has not set us a good example. What he should have done was to rise in his place and object to a discussion of Cuba in a debate on a bill which has nothing whatever to do with that country. This bill has not the remotest relationship to Cuba. If we are to have orderly debate in this house—and it applies to any assembly—we must have regard for the rules under which we are supposed to work. That is all I wish to say.

When I challenged my honourable friend from Winnipeg South (Hon. Mr. Thorvaldson) I was not aware of the discussion that had taken place last week. However, as I say, two wrongs do not make a right, and if my honourable friends on the other side of the house had been on their toes, they would have objected to Senator Croll's remarks—

Hon. Mr. Choquette: He was so eloquent.

Hon. Mr. Crerar: —and I am sure His Honour the Speaker would have sustained them.

Hon. W. Ross Macdonald: Honourable senators, it is not my purpose tonight to continue this debate to any great length. I am not going to discuss trade with Cuba. I appreciated a large portion of the speech made tonight by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), who gave a clear explanation of the attitude of his party in most respects. I was, however, a little disappointed in that he did not explain more clearly why dynamite and airplane engines are not strategic materials.

The honourable senator made the broad statement that dynamite is considered by no one—I think he used words to this effect—as being strategic material. I would think that in time of war it would be most strategic material. I cannot see how he can justify the sending of airplane engines and parts to Cuba, and say that they are not strategic materials.

So far as I am concerned, those are two points he did not clear up tonight.

Honourable senators, I did not rise to prolong the argument but to point out that,

except for the excellent address by the honourable senator from Colchester-Hants (Hon. Mr. Blois) who introduced this bill, we have not heard very much about its purpose. Therefore, I am going to suggest to the honourable Leader of the Government (Hon. Mr. Aseltine) that when the bill is given second reading it be referred to the appropriate standing committee.

Hon. Austin C. Taylor: I should like to ask the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) a question that has to do with a statement he made, if I understood him correctly, about how prosperous the western grain growers have been this year compared with last year.

Hon. Mr. Thorvaldson: I did not say the western grain grower.

Hon. Mr. Taylor (Westmorland): I understood my honourable friend to refer to the western farmer, at least.

Hon. Mr. Thorvaldson: I did not say that.

Hon. Mr. Taylor (Westmorland): What did you say?

Hon. Mr. Thorvaldson: I said the economy of western Canada has been prosperous.

Hon. Mr. Taylor (Westmorland): The economy of western Canada, as I understand it, is pretty well agriculture.

Hon. Mr. Hnatyshyn: That is not right.

Hon. Mr. Taylor (Westmorland): I should like to make a reference to the agricultural conditions of western Canada, if I may, because the honourable senator from Winnipeg South indicated there was a great upsurge in the economy of the western grain grower.

Hon. Mr. Thorvaldson: Oh, no.

Hon. Mr. Taylor (Westmorland): I have in my hand a copy of the Dominion Bureau of Statistics Weekly Bulletin of February 23, and at page 10 it gives the net cash income of the three western provinces along with all other provinces. The income of Alberta amounted to $223,861,000 in 1961, as compared with $233,765,000 in 1960; the income of Manitoba amounted to $53,338,000 in 1961, compared with $110,040,000 in 1960; and the income of Saskatchewan in 1961 was $103,720,000, compared with $352,623,000 in 1960. If those figures indicate an increase in prosperity in the three western provinces, then I don't know anything about it.

Hon. Mr. Hnatyshyn: There was a drought in western Canada in 1961, you know.

Hon. Mr. Thorvaldson: We have had a most serious crop failure.

Hon. Mr. Taylor (Westmorland): Then how can it be said that the economy of the western provinces has been abundant?

Hon. Mr. Horner: I don't know where the honourable senator from Westmorland (Hon. Mr. Taylor) got his figures, but I dispute their accuracy. I am positive Saskatchewan's income is larger than the figure he gave.

Hon. Mr. Taylor (Westmorland): These figures were prepared and published by the Dominion Bureau of Statistics, an official organ of the Government itself.

Hon. Mr. Horner: The information is not complete.

Hon. Malcolm Hollett: Honourable senators, as a junior member of this august assembly may I say a few words at this time. I want to make use of every opportunity I can to find my depth here.

I want to congratulate the sponsor of the bill (Hon. Mr. Blois) and the Government for bringing in this measure. At the same time I want to sympathize with my honourable friends opposite. Some remark made by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) must have touched a fester, because it seemed to hurt them. The honourable senator from Toronto-Spadina (Hon. Mr. Croll) talked about this same matter a few days ago, but it did not hurt anyone on this side of the house, not one bit.

Honourable senators, I want to say a few words in support of this legislation because I come from Newfoundland, the youngest province, and we in the province live by our exports. Our fish, ore, lumber, and wood products all have to be exported. I am not aware of our exporters having to take advantage of this legislation whereby export credits are insured; however, the possibility is that they do, and I guess the probability is that they may have to.

I should like to present a few figures to the house for comparative purposes. Strangely enough, the comparisons are made between the years 1956 and 1961. I do not know whether any honourable senator knows why these particular years have been chosen for comparative purposes but they show—and they are correct—that in 1956 our Gross National Product was $30.6 billion, whereas in 1961 it was $37.4 billion, an increase of $6.8 billion, or 22 per cent. Whether the Export Credits Insurance Act has had anything to do with our Gross National Product —and who says it hasn't, because it certainly has to do with exports—our export picture has been dealt with very thoroughly by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson).

He dealt exceedingly well with the conditions of our exports and imports and indicated the increases made in our export trade. But in case this information did not impress itself on all honourable members, I should like to mention that in 1956 our exports amounted to $4.8 billion and in 1961 to $5.7 billion, an increase of $900 million, or 19 per cent.

Undoubtedly our total personal income is related to our total exports; in other words, if we are not exporting, then our total personal income would certainly not be as high as it is. The total personal income for the whole of Canada in 1961 amounted to $28.7 billion, compared with $21.9 billion in 1956, an increase of $6.8 billion, or 30 per cent.

Hon. Mr. Wall: May I ask my honourable friend a question?

Hon. Mr. Hollett: Yes, you may.

Hon. Mr. Wall: Would the figures that the honourable senator has given be in current dollars, and could he give them to us on a per capita basis in respect to constant dollars?

Hon. Mr. Hollett: I wonder if the honourable senator would repeat his question?

Hon. Mr. Wall: I am asking two questions. Are the figures that the honourable senator gave in current dollars? Secondly, could the honourable senator give us the same set of comparative figures on a per capita constant dollar basis?

Hon. Mr. Hollett: I am afraid I would not be able to answer the last question at the moment. I take it the difference between current dollars in 1956 and current dollars in 1961 is certainly not large. The honourable senator from Winnipeg North (Hon. Mr. Wall) used the term "constant dollar" quite frequently in a speech a few days ago. Well, I have never been able to find a constant dollar; at least, I have never been able to hold on to one. I put a dollar in my pocket in the morning and it disappears during the day; it is not constant, at any rate.

Hon. Mr. Roebuck: If the honourable senator cannot answer the two questions asked of him by the honourable senator from Winnipeg North (Hon. Mr. Wall)—and I appreciate that he does not carry a book of statistics around with him even though these figures are most applicable at the present moment—perhaps he could give us the relative increase in population at the same time as he gives us the increase in external trade. Surely that information is cogent to the argument that trade is being promoted and increased. The honourable senator from Winnipeg North asked for this information in a somewhat different form when he asked for the per capita increase. Perhaps this has not been worked out by my honourable friend from Burin (Hon. Mr. Hollett), but he ought to be able to give us the increase in population with the increase in exports, otherwise the figures are meaningless.

Hon. Mr. Hollett: I do not know that I can give the exact increase in population since 1956, and I doubt whether any honourable senator could, because I don't believe the compilation has been completed. However, I can give the total employment figures for 1956 and 1961. There you will find quite a difference. Incidentally, this is constant employment and also very current at the present time. The total employed persons in 1956 was 5,703,000, whereas in 1961 it was 6,155,000, or an increase of 452,000. That means that 452,000 more men and women were employed in Canada in 1961 than in 1956. I take it the honourable senator will accept that as an answer to his very important question; but I cannot give him the increase in population.

Hon. Mr. Roebuck: That is not an answer to my question, my friend. There may be greater employment, but was there a larger population?

Hon. Mr. Hollett: There was a very much larger population.

Hon. Mr. Roebuck: The percentage of unemployment was greater.

Hon. Mr. Hollett: But I would also point out that even since 1956 there was a great increase in the use of machines to turn out products for export. I hope the honourable senator will take that into consideration as well as the increase in population. The increase in population from 1956 to 1961 would probably be in the order of 90 per cent children of perhaps five or six years old, and I am sure they have not added to the amount of goods which would be for export.

Hon. Mr. Roebuck: Were there as many children in Canada in 1956 as in 1961?

Hon. Mr. Hollett: I said that about 90 per cent of the increase in population resulted from children who have come along since 1956 and they have not produced any goods for export yet. I am sure the honourable senator forgets that little point. Of course, we allowed some immigrants to enter Canada.

Now, I pointed out that there was a 30 per cent increase in total personal income throughout Canada during the five years since 1956.

Hon. Mr. Dupuis: May I ask, without intruding too much in the debate, what the deficit or surplus in Canada was between the years 1956 to 1961, the period to which the honourable senator referred?

Hon. Mr. Roebuck: That is, the budget deficit since 1956.

Hon. Mr. Hollett: I have that right in my pocket. Our budget deficit in 1956-57 was not very large. In 1957-58 our total defiicit was $38.6 million. I believe these figures have been given before, but as I have been asked I am sure there will be no objection to my giving them again. In 1958-59 our budget deficit was $609 million, or a cumulative deficit for the years 1956-59 of $647 million. In 1959-60, the cumulative deficit was just over $1 billion. In 1960-61 it was $1,401 million. But let us look at the other side, to the contributions made by our federal Government to the provinces during that particular time. In 1956-57 the amount contributed was $689 million. I do not know that I need to go into all these figures.

Hon. Mr. Roebuck: You promised the province of Ontario a $100 million increase, and did not give it.

Hon. Mr. Hollett: I was not here at that time. I have not the figures for the budget deficit in 1961-62. The honourable senator will know why. However, I heard the other day that it was $200 million less than the honourable senators on the opposite side believed and hoped and prayed it would be.

Our cumulative budget deficit—and I am answering my honourable friend's question now—for the years 1956-57 to 1960-61 was $1,401 million, whereas the cumulative increase of the federal Government's contributions to the ten provinces for the same period was $1,697.1 million. This means that the cumulative increase in federal contributions to the provinces, minus the cumulative budget deficit, amounted to $295 million. In other words, we increased the amount we gave to all the provinces over the amount of the budget deficit by $295 million, which shows one of the reasons, and I am not saying the only reason, these deficits occurred.

Hon. Mr. Pratt: Would the honourable senator explain where the money came from for all that expenditure?

Hon. Mr. Macdonald (Brantford): Honourable senators, I do not want to interrupt too abruptly this very interesting discussion, but I rise on a point of order to remind the house that we are discussing the Export Credits Insurance Act.

The Hon. the Speaker: I shall allow the honourable senator from Burin (Hon. Mr. Hollett) to reply to the question, but I suggest that he keep within the framework of the bill under debate.

Hon. Mr. Hollett: I believe the question asked by the honourable senator from St. John's West (Hon. Mr. Pratt) was, "Where did the government get the money?" Well, I think the honourable senator had better ask me another question, because even he could not tell that. The Government gets the money mostly out of our pockets—and certainly out of the pockets of all honourable senators. It gets it from business profits and from various sources. That is how the money must be obtained. I suppose the implication is, did they print the money?

Hon. Mr. Macdonald (Brantford): They get it from the Export Credits Insurance Act.

The Hon. the Speaker: Let us come back to the bill.

Hon. Mr. Hollett: Yes, Mr. Speaker, I shall come back to the bill. Of course, I was put aside by the questions.

The Hon. the Speaker: You were led on.

Hon. Mr. Hollett: I was led on.

This act was passed some years ago—I do not know the year—and probably by a Liberal administration. If so, I give credit to them. Incidentally, I would like to compliment the honourable senator from Churchill (Hon. Mr. Crerar) who speaks most intelligently in a debate on any bill. We have not all the same ability to do so.

I was trying to point out why it was necessary to increase the amount of export credits insurance, and its effect on the increase in our exports over the years. I am quite sure all honourable senators would agree that it has done so. If our exports have thus been increased, that gives me a good reason for saying certain things about our personal incomes, and so on, which are undoubtedly derived from that particular source, from exports.

Now as to our corporation profits: In 1956, corporation profits in Canada were $2.91 billion, by 1961 they had increased to $3.55 billion, or 22 per cent over that five-year period.

Consumer spending is another indication of the value of a bill such as this. This stood at $18.8 billion in 1956, compared with $24.6 billion in 1961, or an increase of $5.8 billion. You cannot spend money if you do not earn it, and in Canada you will not earn it if you do not export. There has been an increase in consumer spending of 30 per cent in that five-year period.

Total personal savings, another important item, have grown in spite of the fact that the Government reaches down into our pockets and takes our money. In 1956 they amounted to $1.3 billion and in 1961 the figure had risen to $1.7 billion, an increase of $400 million or 30 per cent.

Honourable senators, I do not wish to prolong my remarks, but I do support most heartily this bill which was so ably introduced by the honourable senator from Colchester-Hants (Hon. Mr. Blois).

Hon. G. Percival Burchill: Honourable senators, my brief remarks will be confined to the bill itself, which I heartily support.

I was very much interested in the speech delivered by my honourable friend from Winnipeg South (Hon. Mr. Thorvaldson), but I was rather disappointed that he did not reply to what I thought was a useful contribution made in this debate last Wednesday by the honourable senator from St. John's West (Hon. Mr. Pratt) who said that this measure is very useful to Canadian export trade and that he heartily supported it. He then gave certain figures to show that the Export Credits Insurance Corporation is not being used to the same extent proportionately as the exporters of Great Britain are using a similar insurance fund in that country. He suggested that our regulations with respect to this act are too rigid or, I think he said, not flexible enough, and suggested something might be done to make them more flexible. In that way Canadian exporters could make more use of this legislation.

I was rather disappointed that the honourable senator from Winnipeg South did not touch on those two points. I was waiting for him to tell us why Canadians are not using this legislation as much as the British exporters are using theirs. I was waiting for him to tell us whether our act is too rigid and whether he had any suggestions as to how it could be made more flexible and more useful.

I think honourable senators will agree that I have stuck to the bill.

Hon. Donald Smith: Honourable senators, I too shall be brief in my remarks and speak to the bill itself.

I want to bring to the attention of honourable senators that we have on our statute books the Export and Import Permits Act, the purpose of which is to control export trade. The act lists 166 items of a strategic nature or value, the export of which might affect the security of Canada.

I think somebody mentioned that gunpowder was included in our exports to Cuba, and reference was made to a radioactive cobalt bomb or some such item.

Hon. Mr. Thorvaldson: It was blasting powder, not gun powder.

Hon. Mr. Smith (Queens-Shelburne): Well, I do not know what the difference is. It is my information that those 76 items for which export permits were issued by the Government under the Export and Import Permits Act had a total value of $3.25 million. In the last year or so permits have been issued by the Government for the export of 125 tons of dynamite, aircraft engines, parts for aircraft engines, parts for aircraft radio receivers, synthetic rubber, steel in various forms and electric transformers. All of these items must certainly be of a type and kind without which an army could not operate—and those last words that I have used are the words referred to by the present Minister of Trade and Commerce in connection with exports.

Now, honourable senators, it seems to me that for the picayune commercial gain which might come to a few scattered industrial and exporting firms in this country in exporting $3.25 million worth of goods for which special permits must be secured under the Export and Import Permits Act, we should not sacrifice our good relations with the best friend Canada could ever have, the United States of America.

During a trip to the United States about a year ago I had this subject of Canada's trade with Cuba thrown in my face. While visiting friends of mine in the American mid-west I suppose I met a half dozen people who were quite disturbed because they considered we were not proving ourselves to be the kind of friends we pretended to be. They could not understand why we would carry on the kind of trade about which they were informed long before the honourable senator from Toronto-Spadina (Hon. Mr. Croll) spoke about it here. They could not understand why we were trading with Cuba at a time when their own country deemed it to be in its national interest and in the interest of the hemisphere to sever trade with Cuba. Just a week or so ago I was visiting with some friends in New York state, and again the subject of trade with Cuba was slammed in my face. I want to say that in both these instances I did not speak as I am speaking in this chamber, for I am home now. But when I was in a foreign country I thought it my duty to defend the action taken by this Government.

Hon. Mr. Thorvaldson: May I ask my honourable friend a question?

Hon. Mr. Smith (Queens-Shelburne): Certainly.

Hon. Mr. Thorvaldson: Did any of the people with whom you talked in New York state tell you they had read a report of the speech delivered by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) or some other speaker?

Hon. Mr. Smith (Queens-Shelburne): The answer is definitely no. The first occasion to which I referred was about a year ago, or

maybe more, and the second occasion was about a day or so after the honourable senator from Toronto-Spadina spoke here.

Hon. Mr. Croll: May I ask the honourable senator a question?

Hon. Mr. Smith (Queens-Shelburne): Yes, certainly.

Hon. Mr. Croll: Do you know whether any of the persons to whom you spoke remembered the speech made by the Minister of Trade and Commerce in which he referred to these Cubans as the very best friends an exporter could have?

Hon. Mr. Smith (Queens-Shelburne): That was one of the statements I found very difficult to defend, and I pretty well passed over it. That particular point was brought up by the minister just about ten days ago. The question was raised by a group of friends with whom I was conversing, and I had no answer for it.

But the point I want to make is that this kind of trade with Cuba is not too important financially, and I agree with everything that has been said in this direction. It is not too important in volume. It does not swing the pendulum over so that Cuba threatens us or points its poisoned spear of communism towards this hemisphere, perhaps for the first time in history. It is not important to our relations with other countries whether or not Canada is a few steps ahead or behind them in doing what some think should be done to help out our neighbour.

I want to say that what we have done is being considered as an unfriendly token by the United States, and it is very disturbing to them. I do not think our sacrifice would be very great if we were to refuse to export to Cuba such items as dynamite, aircraft engines, parts for aircraft engines, parts for aircraft radio receivers, synthetic rubber, steel in its various forms, and electric transformers. Food and medicines, yes, but this kind of material, no.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Honourable Mr. Blois, bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 242.*)

CIVIL SERVICE COMMISSION
CANADA

February 21, 1962.

To the Honourable the Members of the Senate

The Civil Service Commission has the honour to submit the following report.

In accordance with the provisions of Sections 11 and 62 of the Civil Service Act, it is recommended that the rates of compensation for each of the classes listed hereunder be revised to the rates indicated immediately thereunder, effective July 1, 1961, subject to the following provisions:

1. That the rate of pay shall be determined as follows:

(a) Each employee in the classes specified shall be paid at the salary rate shown immediately below the salary rate at which he was being paid on the effective date, or, if appointed after the effective date, the salary rate shown immediately below the salary rate at which he was being paid on the date of appointment.

(b) An employee who is promoted in any of the classes concerned with effect on or prior to the effective date shall be considered for pay purposes as having been paid at a rate of pay determined in accordance with the Civil Service Act and Regulations.

(c) Except as provided in subsection (d), the present increase date of employees shall not be affected by this order and an employee shall retain any benefits to which he would otherwise be eligible under the terms of Order in Council of April 30, 1946, P.C. 23/1700, as amended.

(d) For the purpose of calculating a due date for salary increase for an employee who is paid at a lesser rate where more than one rate in the present range are revised to a common rate in the new range the effective date of the revision shall be regarded as the date of last increase.

2. That the increase shall be paid on the above basis in respect of the period commencing on and after the effective date to:

(a) An employee on strength on the date of approval provided, however, that an employee may receive the benefit of Section 1 only once.

(b) A former employee whose services had been terminated during the said period because of: (i) lay-off, (ii) retirement, or (iii) release of the employee for a reason that, in the opinion of the appropriate deputy head, was beyond the control of the employee.

(c) The estate of a former employee who has died during the said period.

3. That no change shall be made as a result of this revision in the salary or other remuneration of any person employed under the provisions of section 39 of the Civil Service Act.

4. That this revision does not affect any order by virtue of which a terminable allowance is paid.

Cataloguing Librarian 1
Reference Librarian 1

From:	4200	4380	4560	4740	4920
To:	4560	4740	4920		5160

Cataloguing Librarian 2
Reference Librarian 2

From:	5160	5400	5640	5880
To:	5160	5400	5640	5940

Cataloguing Librarian 3
Reference Librarian 3

From:	5700	5940	6180	6420
To:	5700	5940	6240	6540
	To apply to present incumbents			
	5640	5940	6240	6540
	To apply to future appointments			

Reference Librarian 4

From:	6180	6420	6660	6900
To:	6240	6540	6840	7140

Reference Librarian 5
Chief Cataloguing Librarian

From:	6540	6840	7140	7500
To:	7140	7500	7860	8220

Chief Reference Librarian

From:	7620	7980	8340	8700
To:	8220	8580	8940	9300

Assistant Librarian, English, Library of Parliament
Assistant Librarian, French, Library of Parliament

From:	8120	8540	8960	9380	9800
To:	8760	9120	9480	9880	10300

Respectfully submitted,

Mark R. Drouin
Speaker of the Senate

Ruth E. Addison
Commissioner

THE SENATE

Wednesday, February 28, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

PRIVATE BILLS

SALVATION ARMY GOVERNING COUNCILS—FIRST READING

Hon. A. K. Hugessen presented Bill S-11, respecting The Governing Council of The Salvation Army, Canada East, and The Governing Council of The Salvation Army, Canada West.

Bill read first time.

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

MUTTART DEVELOPMENT CORPORATION LTD.—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-7, respecting Muttart Development Corporation Ltd.:

> Your committee recommended that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the committee had considered Bill S-7, respecting Muttart Development Corporation Ltd., and had directed that the bill be reported with the following amendments:

> 1. Page 2, lines 1 and 2: strike out "entitled to" and substitute therefor: "deemed to be the holder of"
>
> 2. Page 2, lines 10 and 11: strike out clause 6 and substitute therefor:
>
> "6. (1) The powers granted to the Company by its Letters Patent are hereby cancelled, and the Company shall be deemed to have had the power to invest money in mortgages and hypothecs upon freehold real estate since the 12th day of July, 1961.
>
> (2) No transaction entered into by or on behalf of the Company, and no other action taken by or on behalf of the Company, prior to the coming into force of this Act, shall be deemed to be or to have been contrary to law or invalid by reason only of any noncompliance with the provisions of the Loan Companies Act."

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: With leave I move that this report be adopted now.

Honourable senators, I should give a word of explanation. The amendments which you have heard read carry the approval of the Law Clerk of the Senate, and were also approved by those persons interested in the bill. May I just give the background of the amendments?

The Muttart Development Company was incorporated under federal charter in or about 1958. Its chief object was to invest in mortgages, that is, to buy existing mortgages, rather than to lend money on the security of mortgages. Before incorporation there was some question as to whether such a company, having regard to the provisions of the Loan Companies Act, could be incorporated by letters patent. The opinion of the Department of Justice was obtained, to the effect that investing in mortgages was not subject to the Loan Companies Act and therefore letters patent could issue, and they did issue. The company carried on in that fashion until 1961.

Many senators will recall that in 1961 Parliament amended the Loan Companies Act by extending the coverage of that act to include not only loaning on the security of real property, but also investing in mortgages that were secured by real property. Then the question arose as and from the middle of July last year, as to what was the position of this company, which had an existing charter permitting it to carry on business, and yet an amendment to the Loan Companies Act provided that if a company were going to be set up on and after the date the amendment became effective, it would have to proceed by special act under the Loan Companies Act. The question was finally resolved by the company coming to Parliament and asking for the passage of this bill to have the company converted from a charter company to a special act company, so as to provide the necessary protection and to validate what it had done, if it needed

validation, between July of last year, when the Loan Companies Act was amended and the date these amendments are passed.

The effect of the amendments is simply to say that as and from July 12 last year the powers of this company under its letters patent are cancelled and it enjoys the powers a loan company would enjoy. Secondly, that all its investments in mortgages since that date are not to be regarded as invalid only because they do not conform or did not conform to the requirements of the Loan Companies Act during that period.

That is the scope and effect of these amendments, and they were all approved in committee this morning.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

SUN LIFE ASSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-8, respecting Sun Life Assurance Company of Canada, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Lionel Choquette moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-68, to amend the Export Credits Insurance Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the committee had considered Bill C-68, to amend the Export Credits Insurance Act, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Blois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-66, to amend the St. Lawrence Seaway Authority Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration.

Hon. Mr. Hugessen: With leave, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the committee had considered Bill C-66, to amend the St. Lawrence Seaway Authority Act, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Choquette moved that the bill be placed on the Order of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented

the committee's reports No. 111 to 150, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move, seconded by the honourable senator from Hanover (Hon. Mr. Brunt):

> That, for the duration of the present session of Parliament, should an emergency arise during any adjourment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

The Hon. the Speaker: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Vien: Explain. I should like to understand why this motion is being presented now.

Hon. Mr. Aseltine: Honourable senators, it is likely that by this time tomorrow we shall have dealt with all the legislation we are likely to receive for some little time to come. Of course, it is not definite, but there is a possibility that we might not be sitting next week.

Motion agreed to.

TOURIST TRAFFIC

INQUIRY RE BUSINESS OF COMMITTEE

On the Orders of the Day:

Hon. Mr. Macdonald (Brantford): Honourable senators, might I say that I have just received notice that there will be a meeting of the Standing Committee on Tourist Traffic tomorrow at noon. I am sure all honourable senators are pleased to hear that this committee is meeting, but could the chairman of that committee tell the house the nature of the business that is on hand?

Hon. R. B. Horner: Honourable senators, the meeting is merely being convened in order to arrange the work of the committee. As yet nothing has been arranged.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

ANNOUNCEMENT OF VISIT OF UNITED STATES DELEGATION

On the Orders of the Day:

The Hon. the Speaker: I wish to inform honourable senators that tonight we shall be receiving the American delegation of the Canada-United States Interparliamentary Group. The visitors from Washington will arrive at 5.30 p.m. and I intend to meet them personally with some other honourable senators of Canada.

The members of the delegation are invited to attend the sitting of the Senate here at approximately 3.30 tomorrow afternoon. They will be seated at the bar, and their wives will be sitting in our gallery. Honourable Senator Aiken and Honourable Mr. Gallagher of the House of Representatives, the two American co-chairmen, will be sitting to my right on the floor of the Senate.

I know that the honourable Leader of the Government (Hon. Mr. Aseltine) and the honourable Leader of the Opposition (Hon. Mr. Macdonald) will wish to greet our visitors here on the floor of the Senate as they greeted us on two occasions in Washington.

We will proceed in the same way as we did last year and the proceedings should not last very long.

Therefore, I would ask honourable senators to try to be here in good numbers to greet our friends, for there are certain stresses and tensions we can help to relieve.

Hon. Walter M. Aseltine: Honourable senators, in addition to what His Honour the Speaker has mentioned, I may say that tomorrow at this time I shall bring in a motion authorizing us to invite the two co-chairmen of the delegation to a place on the floor of the Senate, and the others to take a place at the bar of the Senate. I presume also at that time we shall recognize the charming ladies who will be in the gallery.

The Hon. the Speaker: Honourable senators will recall that we were received on the floor of the Senate in Washington. On the first occasion there were sixteen short speeches of greeting to us, and twelve on the second occasion. We were not allowed to reply, since no one other than an American senator is allowed to say anything on the floor of the Senate in Washington. Fortunately, we have no such rule here. I believe our friends, Honourable George D. Aiken and Honourable Cornelius E. Gallagher will wish to reply briefly to our remarks, as they did last year.

Hon. W. Ross Macdonald: I am very pleased to agree to the procedure which has been mentioned.

The Hon. the Speaker: Thank you.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald (Brantford): I would like to ask a question on another subject. Has the Leader of the Government in the Senate (Hon. Mr. Aseltine) any information as to whether or not there will be royal assent this week and, if so, when?

Hon. Mr. Aseltine: I am unable to answer that question. At the moment, I have no intimation of having royal assent this week.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-37, for the relief of Simonne Michele Mona Bouchard.

Bill SD-38, for the relief of Anne Marie Asselin.

Bill SD-39, for the relief of Hale Calvin Reid.

Bill SD-40, for the relief of Lorna Scherzer.

Bill SD-41, for the relief of Leomay Marie Blanche Stratton.

Bill SD-42, for the relief of Sylvia Aucoin.

Bill SD-43, for the relief of Frances Cynthia Nevitt.

Bill SD-44, for the relief of Lily Worthington.

Bill SD-45, for the relief of Dorothy Doreen Howell.

Bill SD-46, for the relief of Daisy Emily Dorothy Ryan.

Bill SD-47, for the relief of Joyce Evelyn Ranger.

Bill SD-48, for the relief of Jeannine Furoy.

Bill SD-49, for the relief of Myrtle Alice Southwood.

Bill SD-50, for the relief of Iva Baumgartner.

Bill SD-51, for the relief of Elsie Jean Delisle.

Bill SD-52, for the relief of Josephine Suhr Moseley.

Bill SD-53, for the relief of Christine Johnson.

Bill SD-54, for the relief of Real Richard.

Bill SD-55, for the relief of Monique Remy.

Bill SD-56, for the relief of Paul Emile Niquette.

Bill SD-57, for the relief of Elsa Munch.

Bill SD-58, for the relief of Lygery Varverikos.

Bill SD-59, for the relief of Jeannine Elizabeth Sharpe.

Bill SD-60, for the relief of Anita Cleri.

Bill SD-61, for the relief of John Andrew Milne.

Bill SD-62, for the relief of Germaine Marie Therese Hinksman.

Bill SD-63, for the relief of Mary Catherine Weatherby.

Bill SD-64, for the relief of Gerald William Henderson.

Bill SD-65, for the relief of Eileen Myrtle Burns.

Bill SD-66, for the relief of Anita Margaret d'Esterre.

Bill SD-67, for the relief of Joseph Arthur Norman William Edwards.

Bill SD-68, for the relief of Irene Ross.

Bill SD-69, for the relief of Anna Luella Matthews.

Bill SD-70, for the relief of Gladys Ethel Sarah Bergeron.

Bill SD-71, for the relief of Hazel Durocher.

Bill SD-72, for the relief of Lily (Laura) Anita Karbelnik.

Bill SD-73, for the relief of Margot Scott Connor.

Bill SD-74, for the relief of James Richard Williamson.

Bill SD-75, for the relief of Alma Tremblay.

Bill SD-76, for the relief of Micheline McGuire.

Bill SD-77, for the relief of Miriam White.

Bill SD-78, for the relief of Lloyd James Simpson.

Bill SD-79, for the relief of Felix Hollinger.

Bill SD-80, for the relief of Gizella Ethel Bogoly.

Bill SD-81, for the relief of Francoise Campion.

Bill SD-82, for the relief of Suzi Elizabeth Perry.

Bill SD-83, for the relief of Dawn Dorothea Marsden.

Bill SD-84, for the relief of Pawel Olejnik.

Bill SD-85, for the relief of Joyce Ethel Empey.

Bill SD-86, for the relief of Gabriela Kiwitt.

Bill SD-87, for the relief of Herve Gauthier.

Bill SD-88, for the relief of Jean Alexandria Etheridge.

Bill SD-89, for the relief of John Joseph Huitson.

Bill SD-90, for the relief of Dorothy Irene Marjorie Adams.

Bill SD-91, for the relief of Judith Elizabeth Caron.

Bill SD-92, for the relief of Joan Mary Pearson.

Bill SD-93, for the relief of Glen Stewart Tornay.

Bill SD-94, for the relief of Nellie Rothman.

Bill SD-95, for the relief of Jacqueline Belanger.

Bill SD-96, for the relief of Blima (Wendy) Shapiro.

Bill SD-97, for the relief of Gladys Jean Desjardins.

Bill SD-98, for the relief of Gladys Noreen Monette.

Bill SD-99, for the relief of Celia Lesnik.

Bill SD-100, for the relief of Clara Edith Papp.

Bill SD-101, for the relief of Frances Lyman.

Bill SD-102, for the relief of Anton Welte.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING— DEBATE CONTINUED

The Senate resumed from Tuesday, February 13, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect to finance charges.

Hon. Salter A. Hayden: Honourable senators, this is the third time that we have had a bill before us under the title which this one bears. I must first commend my honourable friend (Hon. Mr. Croll) for having taken to heart the criticisms which were made in respect of provisions in the bills which were before us on two former occasions. While I congratulate him on having demonstrated how seriously his attention was given to this matter, I am fearful that the result has been an emasculation of the bill, making the last state of the bill worse than the first.

This bill simply provides that a condition be added to a conditional sale agreement, providing that the transaction is not to be effective until certain stated information is given to the borrower under that conditional sale agreement.

I have examined this bill closely to see what element of constitutionality there might be which would give the federal Parliament some jurisdiction. I can find no such element in it, and it strikes me that this is clearly a matter of property and civil rights.

There is another problem which may arise if this bill is enacted. There is a provincial statute in Alberta which has been in force for several years; and notice was given in the Manitoba Legislature at this session regarding the enactment of legislation of a somewhat similar nature. Therefore, the problem of the conflict as between the provincial and federal authorities would come to the fore at once. However, I feel strongly that there is no point in the present bill on which we can base federal constitutionality. There is no question of criminal law left in it, since the making of an offence out of the failure to furnish information has been removed from the bill.

It is true that interest is mentioned, and that interest is an item over which the Parliament of Canada has jurisdiction. Even so, interest is but one item in the list of items in the definition of finance charges. Secondly, it seems to me that interest over which the federal authority has jurisdiction means the substance or the subject matter of interest.

This bill imposes no control over interest, and the figure that the lender is asked to express to the borrower before the transaction becomes effective is, as we have heard time after time, a calculation of the effective rate of interest. This bill would require the lender to state to the borrower three things, the first of which is the total amount of the unpaid balance outstanding. I take that to be the unpaid balance of the purchase price in a case, for instance, where a person enters a furniture store, orders a chesterfield suite, and pays some money down, leaving a balance owing.

The second piece of information that the lender is asked to furnish to the borrower is the total amount of the finance charges expressed in dollars. Those finance charges are enumerated in clause 2(b) of the bill, and they include such items as interest, fees, bonuses, service charges and any other type of charge.

The third bit of information that must be given to the borrower is the percentage relationship, expressed in terms of simple annual interest, that the total amount of the finance charges bears to the unpaid balance outstanding under the transaction. That, honourable senators, is a long cry from an effective rate of interest. What the lender is asked to do here is to relate the total of the finance charges, which may include all of those elements that I mentioned, percentagewise to the unpaid balance outstanding.

On reading that, it would seem to be a very simple calculation. If I were the lender then I would have to take the total of the finance charges and relate them to the unpaid balance. That is what this subclause seems to say.

I am not sure that it says what my honourable friend intended it to say because these conditional sales agreements are instalment contracts which provide for monthly payments and, therefore, the effective rate of interest is something entirely different from a calculation that is made from two definite figures such as the sum total of the finance charges and the total unpaid balance. I presume the unpaid balance means the total unpaid at the instant before I conclude my financing transaction with the borrower, or with the person who has bought merchandise on time.

That is one calculation, and I have to translate it into a percentage relationship for the year, but that is not the meaning to be taken from what has been said in this debate, nor is it what has appeared in newspapers and magazines, or letters that have come to honourable senators. That language has to do with simple interest and effective rate of interest. So the language of the bill is not clear.

I take it that the bill requires the disclosure of the effective rate of interest calculated on a basis that will reflect the regular monthly amortization of principal. That calculation is something entirely different, and I shall say something about it shortly.

I have indicated to honourable senators, what information this bill requires the lender to give. I now have this to say about the information. In the first place, let us take the situation in which a man goes into a store, buys a piece of furniture costing, let us say, $350, pays $50 down, and wants to finance $300. He asks what it will cost him to finance $300 for 24 months. Let me take an easy figure to deal with, even though it may be a very extravagant one. Let me assume that he is told it will cost him $20 a month, which means he will have to pay in all $480. That is what he is going to have to pay back on account of the $300 which he owes on the furniture. I know these figures I am quoting do not bear any relationship to finance charges, but they illustrate my point.

To say that such a borrower, when he knows he owes $300 and he knows he has made a financing arrangement under which he has to pay back $480, cannot do the simple arithmetic involved in subtracting $300 from $480 to discover what it is costing him, I find very difficult to follow. I, for one, cannot accept the position that all the people who buy on time have no knowledge of arithmetic and have no native shrewdness, and that all of the lenders are very shrewd businessmen and mathematical geniuses, and that they have readily available at their fingertips all of this information.

My honourable friend who sponsored this bill (Hon. Mr. Croll) adduced some evidence which supports the position which I am presenting to you, namely, that the calculation of interest in such a transaction where there are instalment payments is a very difficult one, and different people come up with different results. Any law which proposes under penalty—whether it be a fine or the inability to collect any finance charges—that a lender must furnish information which is so difficult to calculate, and which may be easily calculated incorrectly, is what I would call an unworkable law.

The honourable sponsor of this bill gave some argument in support of that because he read into the record information contained in several columns published in the Toronto *Star* in the month of January of this year by that well-known commentator, Mr. Pierre Berton. Mr. Berton had one of his operatives visit a number of furniture stores. I think the sum and substance of what he wrote, which was read into the record by my honourable friend, is that in these various stores the clerk, or whoever dealt with the customer, was not in a position to give information or to make a calculation of what the interest would be when the intending purchaser proposed to finance some part of the purchase price. However, as Mr. Berton said, this individual did pick up a card, which apparently was from some finance company, and read from it the monthly payments for 12 months, for 20 months, and for 24 months. When the clerk was pressed for a statement of what was the interest per annum, various answers were given. In some cases he said that he did not know, and in others he said that he guessed it was such and such, and in other cases he looked at his card and said it was thus and so.

However, Pierre Berton is a person who likes to have the weight of authority behind what he writes, so, as my honourable friend related, he had his operative take all this information obtained from the various stores to a firm of actuaries, and had them do the calculations. As a result of that Mr. Berton was then able to say that the true interest relationship in these various transactions was thus and so, and not as stated by the store clerks.

As far as I am concerned, this merely demonstrates that it is difficult to make a calculation of interest where there are instalment payments and the principal is being liquidated monthly over a period of time, and people come up with different results. The honourable senator from Toronto-Spadina (Hon. Mr. Croll) and I have come up with different calculations with respect to an illustration he gave the house when sponsoring this bill. He spoke of a person who buys a $20 battery and pays for it over a period of two months, liquidating his debt every two weeks at the

rate of $5, at the end of which time he would pay finance charges of $2. As reported in *Hansard*, the honourable senator from Toronto-Spadina said:

> Two dollars is 10 per cent of $20, so, he has paid 10 per cent in 60 days. He has paid 10 per cent in two months, which is 60 per cent annually.

Just to show the differences in calculations, I worked out that percentage as 120 per cent. I worked it out on the basis that the average amount of money outstanding over the period of two months would be $10 and not $20, and that therefore the effective or true rate of interest on an annual basis would be 120 per cent instead of 60 per cent.

Now, if my honourable friend and I can have these differences in a calculation which is supposed to be a simple one, what about the operator of a corner store who has not had the opportunity to calculate as often and in so many ways as my honourable friend and I?

Hon. Mr. Brunt: He would probably come up with the correct answer.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hayden: He might, although the opportunity for variation, as has been illustrated, is considerable.

While the sponsor of this bill may say he has provided in this legislation for regulations which would provide for a degree of accuracy or tolerance within which an error would be permitted, I am wondering whether the degree of accuracy would be as broad as the difference of 60 per cent between my honourable friend's calculations and mine. If I could have assurance as to the degree of accuracy I might not be complaining as much about how unworkable this bill is in its demand for a statement percentagewise in terms of simple annual interest of finance charges to the unpaid balance. I feel that what is requested here is unworkable.

In Alberta, where similar legislation has been on the books for a number of years, the requirement is made in the alternative; that is, the lender furnishes in a lump sum in dollars what the cost of the borrowing is, or expresses the percentage in terms of simple interest on an annual basis. There is, therefore, a choice. When I contemplate the information a lender is required to give, I cannot possibly follow what additional information a borrower gets if he is told the rate of interest. What more appreciation has he when he is told the rate of interest, as well as being told that his borrowing for 24 months is going to cost him $50?

My own feeling is that most people have a better understanding of what $50 is in relation to their own income and savings, than being told they are going to be charged interest at the rate of 25 or 30 per cent. I think there would be very few persons who would be prepared to make a deal on the basis of paying $50, and who would not make a deal when told that the $50 amounted to 25 per cent, as expressed in the form in which this legislation requires it. I cannot contemplate there would be any who would say, "Now that this has been clarified as to the percentage, I will not make a deal." To my way of thinking there would be more confusion. Let me tell you why. Even this simple illustration of a $20 battery and a $2 finance charge is completely misleading when you relate it to an annual basis, because the contract is for a duration of two months. Nobody is borrowing money on an annual basis in connection with that purchase, so that we are making a fictional calculation in respect of a transaction that does not occur. The price of the battery is $20, the interest charged is $2, and it has to be all paid within two months. It is a distortion of the picture to translate it into a transaction made on an annual basis. The purchaser is not entering into that kind of a transaction.

During the course of his presentation the honourable senator from Toronto-Spadina (Hon. Mr. Croll) said:

> The sole purpose of the bill is to require every person who carries on the business of extending consumer credit to disclose in writing to the consumer of such credit the total cost thereof, expressed both as a lump sum and in terms of simple annual interest.

Later on he said:

> I repeat, the purpose of the bill is to require the lenders and vendors—

I take it he means the lenders who are the vendors.

> —to tell the truth about interest rates and finance charges.

If the issue here were a question of the truth in lending as against deception in lending, I do not think anyone would take the position that the borrower should get less information than would entitle him to know the full terms of the transaction, what he has to repay and what it is costing him.

So that we start out on common ground: I cannot conceive of any person opposing the disclosure of information showing the borrower what his cost is, but I maintain that unless the borrower knows what he owes he cannot know when to stop paying. How does he know what his arrangement is in respect to the money? Therefore, I say that even at the present time the borrower, under the

information which he must be given, knows what the cost of the borrowing is, expressed in dollars. The borrower may not know the cost expressed in terms of interest and, indeed, the lender may not be able to figure it out. The question then arises: Is it necessary in those circumstances, in order to say that there is truth in lending and that there has been sufficient disclosure of information to enable the borrower to know what the transaction is costing him, that it be expressed in terms of interest as well as in terms of dollars? In my submission, I do not think it is.

If I took some of my friend's statements in support of his bill, I would conclude that what he was really getting at was control of credit, and not simply disclosure of an interest calculation. My friend talked about abuse of credit, about the ills arising out of the use and misuse of credit, and about people who are gullible and get committed beyond their depth in the purchase and financing of merchandise. When you talk about protecting people against themselves, even when they themselves may not be concerned, and say that we should be concerned on their behalf, you reach a stage where even prohibition is not very effective, and when legislation for that purpose is not too effective for any length of time.

When you talk about protecting people against themselves and against their own lack of concern, then you are talking about control of credit, and not simply giving them a bit of information as though to convert them from their folly and gullibility, and make them less susceptible to the wiles of a salesman, or even to lead to a change in their own philosophy; because many people nowadays have the philosophy that while they have money they will spend it to the extent that it will give them everything they want to enjoy. If they continue to have the same income in future years, they pay off the balance owing on the merchandise they have bought, and if not, or if their income decreases, then it is just too bad and they stop paying for those articles. The articles may be repossessed. That is too bad, but that is something many people have become accustomed to.

So far as I can see, you cannot change the situation by handing such persons a slip of paper saying that financing of the merchandise they have bought will cost them $50, and that the interest expressed in simple annual interest is five per cent. Whatever the cost, they will buy, because that is the way they look at things. I am not criticizing that philosophy, but I am saying that if we are attempting to justify legislation on one basis because of the condition of these people, it cannot be justified on that basis. We should not offer a palliative. The right thing to do then, if you think it is necessary to protect these people against their own folly, would be to talk about control of credit.

My friend put it very well when he said that the need for consumer credit and consumer protection arises from many causes. He enumerated those causes as follows: (1) Partly consumer ignorance; (2) Partly lack of concern; (3) Partly the confusing and misleading form in which the credit terms are explained; (4) Partly failure, in particular, of credit financier to provide essential information.

Let us examine those for a moment. First, partly consumer ignorance. When a consumer is told that something will cost him $50, and he is not told what the interest is, is he suddenly going to shed his ignorance and become wise and alert when he finds out that it works out at an interest rate of 25 per cent, and say, "No, get thee behind me Satan with this temptation"?

Hon. Mr. Brunt: He might.

Hon. Mr. Hayden: Remember, he is given the dollar cost.

My friend's next point is, partly lack of concern. If a man has lack of concern, are you going to stimulate interest by telling him what the percentage relationship is of his dollar charge to the total amount that he is borrowing? Again, I would say no.

The third point is, partly the confusing and misleading form in which credit terms are explained. When I discuss this point, remember I am not dealing with the situation where in effect a salesman or a vendor may practise a fraud on the intending purchaser. I am dealing with the kind of case where a man buys an article of merchandise and is told the price of it. He says, "I can pay $50 down, and I want to finance the rest for a period of 24 months." Then he is told what it costs him a month to do that. In that set-up, to me there is nothing confusing and there is nothing misleading. There are remedies available to catch those people who perpetrate a fraud on buyers.

The fourth ground my friend gave was, partly the failure, in particular, of the credit financiers to furnish credit information. The only basis to support that would be to say that giving the interest rate in the manner in which my friend's bill provides for it is essential information. In my submission, it is not essential information. Furthermore, the calculation is so difficult that you could not have any assurance of accuracy, and the dealers and shopkeepers, in order to protect themselves, would have to hire actuaries, as Pierre Berton did, and the cost to the consumer would be increased.

Alternatively, of course, there is a very simple way out of my friend's proposal. Let us assume this bill becomes law, and thereafter a man buys a battery for $20 and pays $2 finance charges for two months. The battery might be advertised for $22, and offered at $2 discount for cash. Then no problem would arise. Or the battery might be rented to an intending purchaser for a week for $2 and he might buy it over a period of eight weeks for $20, and the problem of facing this puzzling calculation of interest on this transaction which has drawn such a wide line of demarcation between my friend and I would not arise.

Now, my friend's bill makes one assumption—I have seen this expression in a magazine; therefore, it is not my own. The exact words of the expression are "bumpkin borrowers". I think I saw that in *Newsweek* some time ago. The assumption is that, for purposes of this type of legislation, every borrower is a bumpkin borrower, that is, he knows nothing about finance and is completely at the mercy of the very shrewd lender. I think, to say the least, that that is very much overrated. I refuse to subscribe to the theory that all borrowers are bumpkins, and on that basis we should have this kind of legislation to protect them against themselves. Now, if that were all that was to this, I would sit down and you would know very well what my view was of this bill.

One thing that has given me tremendous concern has been the publicity which this bill has given rise to, and the letters which I and, I am sure, other senators have received from responsible organizations. For instance, I have a letter from the Canadian Catholic Conference in which that organization refers to a resolution enacted at their regional social life conference in Banff, as follows:

> Be it resolved that this conference recommend that every contract bearing interest shall clearly set out the true rate of simple interest.

I am also in receipt of a letter from the Canada Packers Employees' Credit Union Limited which reads in part:

> It is our considered opinion that this is a valuable and desirable item of legislation. We are in agreement that there is some considerable confusion as to true interest rates which in certain instances does lead to severe abuses of ethical business practice.

I have another one from the Canadian Welfare Council, in which they say:

> While the bill now before you is a revised and simplified version of two previous proposals, it still contains the essential requirement of disclosure of information regarding finance charges of consumer credit. Such disclosure would provide the consumer with knowledge of the full and true cost of his purchase on credit. May we, in commending the present bill to your earnest consideration, quote the Honourable David A. Croll from his motion for second reading of the bill. It "requires lenders and vendors to tell the truth about the interest rates and finance charges. The consumer has every right to know what he is getting into, and if he does not know or care enough to protect himself, it is our duty to do something to protect him."

When I receive such letters from responsible organizations and when I read newspaper editorials I get a little concerned, and having regard to the viewpoint that I have in relation to this bill I wonder whether the confusion rests with me rather than with the people who have written these letters. Have they written them from a lack of information, or is it that they see some measure of protection that this bill might afford that I do not see? Frankly, I cannot appreciate these viewpoints at the moment, even though I read all these editorials supporting this bill in a general way. Now let us assume that an intending borrower is told what the rate of interest is. What effect is that going to have on the transaction? What effect is that going to have on him?

I am mindful of our well-known position here in the Senate and our concern for the problems of the people, something that I keep before me all the time. But I have great difficulty trying to reconcile my own point of view with those expressed in letters and newspapers as to the scope of this legislation. I think it has been brought forward by the honourable sponsor of the bill (Hon. Mr. Croll) with the greatest sincerity, and with the avowed purpose—I can say this, because he said it in his speech—that this is the first step, and if this succeeds we can move on into the larger area where we might ultimately end up in the control of credit.

If there was some way by which this bill could go to committee without my being committed to the principle of it, or if my honourable friend could indicate to me that there is a principle in the bill, even if he said that the principle is disclosure of information, I would still be concerned because such required information is already in the hands of the borrower; where the actual and particular bit of information, such as the interest calculation, is not there the figures are disclosed from which one might make such a calculation, with the chance being that it would be as good as the calculation that the lender would make.

I believe that the responsibility of the people who wrote these letters is beyond question, but I certainly should like to have the opportunity of asking them questions on these points. My view at the moment is that while I feel the bill is unworkable and the provision in relation to interest is unnecessary, I would suggest that one way of making it more acceptable would be to substitute "or" for "and", to provide alternatively that the cost be expressed in dollars or in terms of interest.

Hon. Mr. Aseltine: Would it then be constitutional?

Hon. Mr. Hayden: I dealt first with the overall question of constitutionality. I am concerned that the bill appears to deal only with property and civil rights, and since the provinces are now moving into this area it might very well be that that is the place where it could be more effectively administered, possibly with a system of licensing of people who dispense consumer credit, because there are many variations of it that would be entirely outside the scope of this bill. For instance, in order to be covered by this bill the merchant must sell a piece of merchandise or agree to the performance of a service, and arising out of that contract there must be a transaction for the financing of payment of all or part of the purchase at a time beyond the date of completion of the transaction.

Hon. Mr. Brunt: What happens if the merchant discounts the paper?

Hon. Mr. Hayden: I would rather put it this way: if the purchaser wants to finance part of the purchase price, and the merchant who sells has a finance company that will do that part of it, in such a case you may divorce the two transactions, the merchant gets all his money and the purchaser has to deal with the finance company. That brings me to a point that I almost forgot. That type of transaction is one that would be outside the scope of this bill. In that case the merchant who sells the merchandise may also make the financial transaction; but if he makes it afterwards he is covered by this bill.

I thought that Pierre Berton gave an excellent suggestion to the consuming public in the article that my honourable friend read into the record. This is what Mr. Berton said about the experiences his operatives had in all these stores. They found many differences in rates, because in no two stores did the clerks offer the same financing basis, and obviously when the actuaries worked out in terms of interest what the charges were, the percentages varied from store to store. I should say that is very strong evidence that there is certainly no combination in restraint of trade so far as financing is concerned.

It seems to me that Mr. Berton reached a logical conclusion, arising out of his experience, when he said:

> Obviously, then, a customer should shop for finance charges just as he shops for furniture. Sometimes (but not invariably) stores with high finance charges sell furniture or appliances at lower prices. My Operative was told on several occasions that in some cases there was a kickback from the finance companies which gave a store a larger margin of profit than it appeared it be getting.

I believe there is an answer which lies in the hands of the consumer himself. Certainly, the consumer shops for merchandise. The comparative shopper today is well known, in the sense that most people are comparative shoppers. If one is going to do comparative shopping for merchandise, why not for finance charges, for that would be the surest and quickest way of exercising effective control over finance charges?

Having said that, as it were, by way of anti-climax, may I repeat that I am not going to suggest, in the light of all the publicity that has been given this matter and the letters which have come in, that at the stage of second reading we should arbitrarily vote against this bill. Although I am reserving the right to be and to think against the bill, I should like to hear what these people have to say, and to find out what is the basis for their belief, that if this particular bill is made law, and a little slip of paper passes from the lender to the borrower, that the borrower is going to have a happier time, that finance charges are going to be substantially reduced, and the abuse of credit buying by the consumer will cease. I cannot see that, but I am not going to be so arbitrary as to say I shall not give them the opportunity to demonstrate it.

Hon. Mr. White: May I ask the honourable senator a question? I should be obliged were he to comment on section 2 of the bill, which mentions "provision of services". Perhaps I might cite an instance. Take the case of the service of water to a municipality at a given rate. If I pay my account before a certain date, a specified discount is allowed; if it is not paid by that date, but at a later date, a penalty is imposed. Would any question arise in that instance, so that the municipality, which is a corporation, would have to give each of its consumers notice before the municipality could collect?

Hon. Mr. Hayden: In the form in which my honourable friend has put his question, and the way in which he has fattened it with

explanatory remarks, I think that he has answered his own question. I am certainly not expressing an opinion at this time.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I would like to have the expert knowledge of my colleague from Toronto (Hon. Mr. Hayden) in order to discuss the legal aspect of the bill before us.

The honourable senator from Toronto tells us that the legislation is not constitutional. Last year, it seems, the honourable senator of Toronto-Spadina (Hon. Mr. Croll) told us, after consulting the Minister of Justice, that the bill was in keeping with the Constitution. It so happens that, when we go to court, where there are two lawyers, one on each side, each one pleads his own case and states that he is right. Now, imagine an ordinary mortal like myself—how could I determine the constitutional character of an act? It is impossible.

Hon. Lionel Choquette: I am sorry, but I think that, last year, the honourable senator for Toronto-Spadina had sought the legal opinion of our legal adviser, and not the Department of Justice.

Hon. Mr. Vaillancourt: Our legal adviser—thank you for correcting my statement. But I still have confidence in him.

Now, the honourable senator from Toronto tells us that this is a matter for provincial legislation. That may be; I would not know. The argument which he developed at length was that it is difficult to figure out simple interest rates. According to Mr. Berton's article, which was published in *Maclean's* magazine, the same conclusions were not reached by the various actuaries. I have myself consulted actuaries. We have one at home. He asked me the following question: "Was the calculation made on a weekly basis, on a monthly basis, presuming there are 30 days in the month, or was it made on a daily basis? Calculations vary slightly on these different bases."

In this regard, we do not have to get deeply involved in calculations with our credit unions at home. For 10 cents a copy, we can get tables in which these calculations are made on a daily and on a monthly basis for various amounts, and in which the simple interest rate to be charged is indicated. Nothing could be simpler. You can find books containing tables which give the interest at the rate of 6 per cent, 8 per cent and even 50 per cent. Therefore, there is no problem there. These calculations are made neither by the vendor nor by the buyer. All you have to do is to refer to these tables.

I wish to express another point of view, if I may, and I shall set aside the question of interest and the method of figuring it out.

For more than twenty-five years, I have been in daily touch with members of the labour class, that is workers and farmers, besides the organizations in which I am interested, such as family services and social services. I have tried with my associates to find a solution to the problems of many unfortunate families.

From the very beginning, we had to try to find the cause of those family problems.

Twenty-five or thirty years ago the major cause was alcoholism, but today the economic question or financial aspect is ahead of alcoholism. Today, it is the main cause of many broken homes.

In the area of Lévis, we have studied that problem most carefully because the family services—this is something we should not forget—are a clinic where people come not to ask for handouts or food, but especially to try to find a solution to their family problems.

In 57 per cent of cases, those family troubles find their origin in money problems; therefore this aspect is ahead of alcoholism. That survey has been going on for several years. If we analyze the whole problem, we find that most young couples are penniless when they get married. Everything has been squandered before marriage. All pleasures have been indulged in, without a thought about the future. Besides, why worry? Everything is being offered to us today with no money down. Everything is sold on the instalment plan and young couples imagine that since they have nothing to pay on getting married, everything will come to them without any effort.

In the old days, when people got married without much money, they would wait before purchasing anything. They would not have considered buying on credit and thus mortgaging their future for a long time to come.

But today, on account of the barrage of publicity, credit selling has transformed the whole economic pattern of this country. It forces upon young people, especially, the habit of spending extravagantly, the desire of possessing everything at once, so that their salaries are mortgaged for years to come before they even have earned them.

What happens is that after a few years, mothers are asking the children's aid society to take care of their children, because their husbands cannot support them. They want to go back and earn their own living again. And the children are put in the care of public organizations. If this continues much longer, I fear for the future of this nation.

When I first got interested in such matters, some twenty-five to thirty years ago, the major source of trouble in the home was habitual drunkenness. Today, it is no longer drunkenness, but financial problems because our young people marry without any money and they mortgage their whole future; they buy furniture and appliances here and there without stopping to wonder whether they will be able to pay for their purchases. Then, two or three years later, the wife starts getting nervous because every day someone is knocking at the door with the threat, if you do not pay today we are going to repossess your furniture, or this and that. The poor woman sees herself thrown in the gutter.

When one studies this problem, when one looks after family welfare, one soon discovers that it is a kind of clinic where people do not come to beg for charity or alms or money, but to ask if it is possible to find a solution to the moral problem that exists in their homes. That is the question we should study, for we will have to consult with the husband after having spoken with the wife. This kind of work is not performed in a day or two; it can take months before we can find a solution to this perpetual economic problem.

Last year, I asked our social service at home to make a survey, saying that I thought this economic problem was not as serious as it seemed among the young couples and that we were inclined to a certain amount of exaggeration, and therefore, would they be good enough to give me some figures in order for me to know what is the basic problem facing a young couple, a problem which may wreck their home. This year we came to the conclusion that 57 per cent of our new homes are wrecked on account of the economic situation.

Those people buy things just like that, on credit, and pay at least 27 per cent interest, and if we analyse all those factors, we come to an average of 60 per cent. How is it possible that these rates are as high as 60 per cent? Let us take for instance the case of someone getting married who buys $1,000 worth of furniture and other household appliances; he will have to pay up to $270 interest but he had not counted on this before. As the senator for Toronto (Hon. Mr. Hayden) was saying, people do not make any calculation, which is true; they are groping about blindly. When those people buy things, everything is fine for the first few months and they make their payments regularly. But then, the dealer says, "You should have another piece of furniture; we will raise your loan to $1,000 or to $1,200 and refinance it." The amount increases at once and with the interest added, the rate is 40 or 50 per cent and at the end of three years, 60 per cent. Which means that every dollar invested by that man has cost him 40 cents or 60 cents in interest.

I am afraid that if that practice spreads throughout the country, it will become really harmful and will affect the economy of the nation because the purchasing power will be cut down to the same extent and it will be creating unemployment.

Mind you, it is not a matter of saying: "I can figure out an interest rate". It goes much deeper than that and it can affect the economic life of every home; this is what we must guard against.

Hon. Mr. Choquette: Would the bill protect those people who default after two or three months?

Hon. Mr. Vaillancourt: No. Here is another example of a customer who comes to one of our credit unions. He had contracted for a $1,500 loan somewhere else and after three years, half of his payments had been used to pay interest and he did not know how to get out of the mess. But he was an honest man, and he had two children under the care of the children's aid society. We took him as a client, and granted him a loan at 6 per cent interest. Instead of finding himself with quite a considerable amount to pay, he gradually paid off his debt and, within three years, he did not owe a cent.

Another gentleman came to us who, two years before, had bought an electric washing machine for $255, to be paid through 24 payments, plus 24 per cent interest. Three times, during these two years, he had not been able to make his regular payment and, after two years, he still owed almost $250.

These people cannot make ends meet. It will be said: "They should think before spending". Easier said than done. On each side of a bridge there are guard-rails; otherwise, to cross it would be dangerous. Now then, the same thing must exist in matters of economy, that is, there must be guard-rails to protect people against and in spite of themselves. It is a question of long-range education.

During the war, there was a federal law stating that if you buy such or such an article, you must make a down payment of such an amount and pay the balance within twelve months. During that period, there was an emergency, it was claimed; today the emergency is just as serious as it was during the war. That is why, after learning all those things, we must try to protect the people in spite of themselves. It is true, and my colleague from Toronto (Hon. Mr. Hayden) said so a moment ago; it is useless otherwise because those people behave like children. Moreover, too much credit at an overly high cost can have a bad influence on the whole

country's economy. I would be glad if this bill were referred to a committee, as requested by the senator from Toronto (Hon. Mr. Hayden) so that the views of everyone could be known. We must think for those people who need to be protected in spite of themselves, just as a child needs protection. I have a suggestion to make. Why not follow the example set by European countries? I have here an advertisement for a household appliance sold in Switzerland. If you pay cash, the article costs you 138 francs, and if you buy on credit you will have to make six monthly instalments of 25 francs, and the total price will be 150 francs. Prospective buyers know immediately how much it will cost them in interest; they do not have to make calculations and I think that is a good thing.

Here is another example of a product which was advertised in a French newspaper and which costs 90 new francs cash. If the purchase is made by instalments, a down payment of 10 francs is required, the balance to be paid in six monthly instalments of 15 francs each, that is, a total of 100 francs instead of 90. Thus people know immediately how much they will have to pay; that does not require much explanation. It is another way of proceeding which could greatly simplify things. Practically all European countries use that method. After the war, they realized that numerous people wanted to buy on credit, a situation which could have jeopardized the country's future. If the people acted that way it was because they had been deprived during the war years. Such a barrier as this had to be set up. When people are faced with such facts, it makes them think.

Do you know, for instance, that when a person borrows $300, payable in twelve instalments, according to the method used today, the cost is $113; but if that same person borrows from a slightly humane institution, the cost is only about $3. Those are facts; we hear of such cases by the hundreds, every day. If we could drive that home to our people, it would make them think. However, you would probably say that we cannot do that overnight, that it will take years. Quite true, but if we do nothing, we are heading towards disaster. If this cannot be done by Ottawa, let the provinces do it. The alarm must be sounded, our people must be made to think. Let us take the necessary means to point out the danger to them. This might take several years, but that matters little. Something must be done. In a few years time, we will be happy at the results, for we will have built a stronger nation, and there will be more happiness in our homes.

(Text):

Hon. John G. Higgins: Honourable senators, I regret that my honourable friend from Toronto (Hon. Mr. Hayden) is not in the chamber at this moment because I would like to put to him a question with respect to an ordinary transaction.

Why is it so difficult to calculate the interest where the contract is clear-cut and carries through to the end? If A borrows $20 and his payments are $2 a month for 15 months, then he has to repay a total of $30. It is my understanding that under such a contract if the debtor pays off the unpaid balance within, say, four months he would still have to pay $30. On top of that he would probably have to pay a service charge of $10, which means that his total payments would amount to $40. So, if he pays $40 in 15 months, that means he pays interest at the rate of 80 per cent per annum. What is so difficult about that calculation?

Does the complication set in when the debtor falls down on his contract? Suppose he pays for four months and then stops paying for a couple of months. In that case he is charged an extra service charge because there has to be a new contract drawn. Does that make for difficulty with respect to calculating percentages? There must be something wrong with the system when an accountant, or someone who is mathematically inclined, cannot work out the interest. Where does the difficulty come in? Am I wrong in saying that the interest in the example I gave is 80 per cent? If it is 80 per cent, then the calculation is very simple.

Hon. Mr. Croll: From where I sit you are perfectly right.

Hon. Mr. Higgins: Then, the complication must arise in cases where the debtor falls down on his contract and does not pay within the time laid down, in which case a new contract is made and there is another service charge.

On motion of Hon. Mr. Wall debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 1, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

MOTION TO INVITE UNITED STATES DELEGATES TO THE FLOOR OF THE SENATE

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford):

> That when the United States of America delegation to the meeting of the Canada-United States Interparliamentary Group visits the Senate this afternoon, the Co-Chairmen of that delegation, the Honourable George D. Aiken and the Honourable Cornelius E. Gallagher, be invited to take places on the floor of the Senate chamber, and that the other members of the delegation be given places at the bar of the Senate.

Motion agreed to.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

> Report of the Custodian of Enemy Property for the calendar year 1961, pursuant to section 3 of the Trading with the Enemy (Transitional Powers) Act, chapter 24 of the Statutes of Canada 1947. (English and French texts).

PRIVATE BILL

COCHIN PIPE LINES LTD.—REPORT OF COMMITTEE ADOPTED

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-6, to incorporate Cochin Pipe Lines Ltd., and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. John A. Buchanan: Honourable senators, with leave of the Senate, I move the third reading of this bill now for the reason that, apparently, the Senate will not be meeting again for several days.

Hon. Mr. Macdonald (Brantford): Oh, I had not heard that.

Hon. Mr. Brunt: Just be patient, and the information will come out.

Hon. Mr. Buchanan: That is an advance notice which I could not help giving to you at this time. Therefore, in order to get the bill over to the other house without too much delay, I am asking, with leave, that it receive third reading today.

Hon. Mr. Roebuck: Is it guaranteed that the news is correct?

Hon. Mr. Macdonald (Brantford): I think third reading should be conditional upon that.

Motion agreed to and bill read third time and passed.

UNIVERSAL COPYRIGHT CONVENTION

MOTION FOR APPROVAL—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Gunnar S. Thorvaldson, Chairman of the Standing Committee on External Relations, to whom was referred the Universal Copyright Convention, presented the following report:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said convention.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Thorvaldson: I move, with leave, that the report be adopted now.

Reported adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Thorvaldson reported that the committee had considered the Universal Copyright Convention signed by Canada in Geneva in 1952 and Protocol 3 thereto, and had recommended that the said convention be approved by the Senate.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Thorvaldson: Honourable senators, up until a moment ago I intended to suggest that the report be considered at the next sitting, but in the light of the information we have just received, I suppose it would be desirable to send this report to the other place without delay, in order

that it may be considered there. Consequently, I move, with leave, that this report be considered now.

Hon. W. Ross Macdonald: Honourable senators, may I say just a word. I wish in the first place to commend the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) for making the motion to refer this convention to the Standing Committee on External Affairs. We had an excellent meeting of that committee this morning. The witnesses explained several features of the convention which gave us some trouble when it was presented in the Senate.

Although the convention was very well explained in the Senate by the honourable senator from Winnipeg South and the honourable senator from Kingston (Hon. Mr. Davies), it is a complicated document and not easily understood from reading it. Therefore I would strongly recommend to honourable senators who were not able to be at the committee meeting this morning that, if they are interested in copyright matters, or the rights of publishers and authors who produce works in Canada for distribution throughout the world, especially in the United States, they should read the record of the committee's proceedings. I am sure they will find it very much worth while.

I am most happy, honourable senators, to support the motion.

Report adopted.

ADJOURNMENT OF THE SENATE

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move that when the house adjourns today that it stand adjourned until Tuesday, March 13, 1962 at 8 o'clock in the evening.

Honourable senators, if in the meantime something of an important nature should come up, the motion which was passed yesterday will enable His Honour the Speaker to call us back before that date.

Hon. Mr. Reid: I would suggest to the honourable Leader (Hon. Mr. Aseltine) that if the adjournment is further extended, those of us who live far away from Ottawa should be notified to that effect.

Hon. Mr. Baird: Does that mean that the Standing Committee on Divorce will not sit during the adjournment?

Hon. Arthur W. Roebuck: Honourable senators, I shall have something to say about that. May I point out to the members of the Divorce Committee that the meeting which is scheduled for tomorrow morning will be held as usual, and I hope that all members will attend.

The meetings that have been scheduled for the period during which the Senate will be in recess will, of course, not take place, and we are sending notices advising the litigants that their cases will be put over for a short time. There is no real difficulty in that connection.

Perhaps some honourable senators will remember that February 28 was set as the last day for the receipt of petitions for divorce and other private bills. That time expired yesterday.

Honourable senators will be interested in the fact that this session we have 605 divorce petitions to be dealt with. That is probably the greatest number we have ever had in one session. Some will go over to the next session, as is always the case—perhaps in the order of 100—so that there will be actually about 500 cases to be tried during this session. That, I need hardly say, is a very big job. I am very grateful to the members of the committee for the excellent attendance we have had so far this session. We have already heard quite a number of cases.

Honourable senators, I rose merely to say that the divorce committee will meet as usual tomorrow.

Hon. W. Ross Macdonald: Honourable senators, I do not rise to oppose the motion but I should point out that many senators, in fact I think most of us, are not altogether happy about the adjournment which is proposed. We are here for the purpose of putting through legislation as expeditiously as possible, after thorough discussion. I might say this adjournment is a great inconvenience for a number of honourable senators, especially those who come from a considerable distance.

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Macdonald (Brantford): It is not going to be easy—in fact, in many cases it will be impossible—for them to travel to their homes for a week and return. In any event, I believe we would far rather be here doing our duty.

I know the honourable Leader of the Government (Hon. Mr. Aseltine) has done all in his power to obtain legislation from the other house for our consideration, but he cannot speed up the work of that house. I know that he has done all in his power to have bills introduced in the Senate.

The Hon. the Speaker: Might I remind the honourable Leader of the Opposition that a motion for adjournment is not debatable.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, this is not a motion for adjournment: it is a motion to vary the procedure or the effect of the rules of the Senate. I am

not opposing it, but I think it is unfortunate that we are asked to agree to it at this time.

Hon. Mr. Aseltine: If the honourable Leader of the Opposition does not want the adjournment, I shall withdraw the motion.

Hon. Mr. Brunt: And we will come back on Tuesday next, if that is what he would prefer.

Hon. Mr. Macdonald (Brantford): I have no objection myself, but we are down here to work, and now we are asked to adjourn. I say that there should be more work before the Senate now.

As I said, I know that the honourable Leader of the Government is doing all in his power to have bills introduced in the Senate, but so far he has not been successful. We should appeal to the Government to have more bills introduced here than has been the case in the past. Even when I was Leader of the Government we did not have enough legislation introduced in this house. I hope that in future the work will be so arranged that there will be enough to keep the Senate fully occupied.

Hon. Mr. Aseltine: I should like the honourable Leader of the Opposition to use his influence in the other place to hurry the legislation through.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: The reason we are adjourning now is because we have not been able to get the supplementary estimates quickly enough. Yesterday the other place spent the whole day on one item and still it is not finished. What can I do, but ask honourable senators to agree to the adjournment I have suggested, with the possibility that if something of an important nature arises we shall be called back before the time mentioned in the motion?

Hon. Mr. Macdonald (Brantford): Might I say in reply to the honourable Leader of the Government that I am not criticizing him, nor the House of Commons, for what is happening.

Hon. Mr. Brunt: Then what is the complaint?

Hon. Mr. Macdonald (Brantford): My complaint is that the Government has not made available enough bills in the first instance to be introduced in the Senate. We have now been in attendance here for almost six weeks, and not one bill of a public nature has been introduced in the Senate.

Hon. Mr. Aseltine: All the bills that have been passed are money bills.

Hon. Mr. Macdonald (Brantford): But there are bills other than money bills. Not one of those has been introduced in the Senate. I repeat I do not want the Leader of the Government to feel that I am criticizing him —far from it. I am merely saying to the Government that we are here, prepared to work. Let the Government introduce non-money bills in this house first.

Hon. Mr. Pearson: Would the honourable Leader of the Opposition suggest that we should have reform in the House of Commons rather than in the Senate?

Hon. Senators: Hear, hear.

[*Later:*]

Hon. Mr. Beaubien (Provencher): May I ask the Leader of the Government (Hon. Mr. Aseltine) if it would be possible for him to make arrangements for those who live far from Ottawa to travel home by plane?

Hon. Mr. Macdonald (Brantford): That is a large order.

Hon. Mr. Aseltine: I cannot give a precise answer to that question. I know that at the beginning and the end of the session honourable senators are entitled to travel by plane and make a claim for expenses, but that would not apply to a recess during the session.

Motion agreed to.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

UNITED STATES DELEGATION GUESTS OF THE SENATE

The Hon. the Speaker: Honourable senators, I understand that our American friends are waiting without, and I would ask the Gentlemen Usher of the Black Rod to escort them into the chamber.

The Co-Chairmen and Hon. Mrs. Maurine B. Neuberger of the United States delegation were then escorted by the Gentleman Usher of the Black Rod to the floor of the Senate chamber, and presented to and invited to take places at the right of the Honourable the Speaker. The other members of the delegation were seated at the bar of the Senate.

The Hon. the Speaker: I understand that some honourable senators have speeches of greeting to make in the presence of our guests from Washington. Before they do so I should like to introduce our friends to honourable senators.

We all know the Honourable George D. Aiken, Co-Chairman of this Canada-United States Interparliamentary Group. He is a Republican from Vermont. (Applause)

We have here also the Honourable Roman L. Hruska, Republican, of Nebraska. (Applause)

The Honourable Pat McNamara, Democrat, of Michigan. (Applause)

The Honourable Mrs. Maurine B. Neuberger, Democrat, of Oregon. (Applause)

The Honourable Claiborne Pell, Democrat, of Rhode Island. (Applause)

From the House of Representatives we have here the other well-known Co-Chairman, the Honourable Cornelius E. Gallagher, Democrat, of New Jersey. I believe he is an Irishman. (Applause)

We have also the Honourable Laurence Curtis, Republican, of Massachusetts. (Applause)

The Honourable William S. Broomfield, Republican, of Michigan. (Applause)

The Honourable William T. Murphy, Democrat, of Illinois. (Applause)

Hon. Mr. Brunt: Hurrah for the Irish!

The Hon. the Speaker: He is from Chicago.

We have here also the Honourable Robert N. Giaimo, Democrat, of Connecticut. (Applause)

The Honourable John M. Slack, Jr., Democrat, of West Virginia. (Applause)

The Honourable Harold T. Johnson, Democrat, of California. (Applause)

The Honourable Daniel K. Inouye, Democrat, of Hawaii. (Applause)

The Honourable Stanley R. Tupper, Republican, of Maine. (Applause)

The Honourable Mr. Tupper is the grandson of one of our Prime Ministers, Sir Charles Tupper. He was photographed this morning with Mr. Diefenbaker—for election purposes, I take it.

Some Hon. Senators: Oh, oh.

The Hon. the Speaker: We have here also the Honourable Howard W. Robison, Republican, of New York. (Applause)

The Honourable James Harvey, Republican, of Michigan. (Applause)

Would the honourable Leader of the Government (Hon. Mr. Aseltine) proceed.

Hon. Walter M. Aseltine: Honourable senators, you will remember that on February 23, 1961 I had the honour of welcoming to this chamber the delegation of members from the United States Senate and House of Representatives.

On that occasion, I think for the first time in history, the co-chairmen of the delegation were invited to take seats on the floor of the Senate at the right of His Honour the Speaker, and the other members of the delegation were given seats, as they are today, at the bar of the Senate. Having been introduced, the co-chairmen were kind enough to address us; and we certainly appreciated their remarks very much.

We are honoured today by having the same co-chairmen with us; and we hope that later on they will say a few words to us.

We are also honoured by having on the floor of the Senate the charming lady senator, the Honourable Mrs. Maurine B. Neuberger, who was introduced to us a few moments ago.

Honourable senators, we have followed the same procedure today and I am indeed happy and privileged to welcome once again to our Canadian Senate the distinguished delegation of United States parliamentarians now meeting with our Canadian parliamentarians here in Ottawa.

This is an occasion to which we always look forward, just as we Canadian parliamentarians anticipate our annual visit to Washington.

We regret that at this time we are in the depths of a snowy winter and for that reason are unable to entertain our visitors from the United States and show them around as we would like to do were they visiting us in the summer or autumn.

I know I will be pardoned if I glance at the south gallery, and say that we particularly welcome the charming wives of our distinguished guests who are presently seated there.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: Our two countries occupy by far the greater portion of the North American continent, and we have merely an imaginary line separating us one from the other. That border line extends for more than 4,000 miles from east to west, and we have been living side by side in peace and friendship without fortifications along it for almost 150 years. That, honourable senators, is something of which we can be justly proud. It is a fine example to set for the rest of this turbulent world. Of course, differences do arise between us occasionally, but at all times we have solved those differences by negotiation and a friendly approach. I am certain that this attitude will continue to prevail at all times in the future.

Honourable senators, the remarks made to the press by the Honourable George D. Aiken, the distinguished Co-Chairman of the American delegation, in Washington the other day with reference to this visit clearly indicated great wisdom and understanding on his part. I am confident that his feelings are representative of those of his fellow countrymen.

We thank you, our distinguished visitors, for your interest and understanding, and we welcome you most sincerely to our chamber.

Hon. W. Ross Macdonald: Honourable senators, this is, indeed, a delightful occasion for all of us assembled here this afternoon. We consider it a high privilege to welcome to the Senate of Canada these distinguished members of the Congress of the United States of America.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): It is not on every continent of the world that representatives of neighbouring countries can come together in one of those countries to discuss mutual problems, and to discuss them not in any spirit of rancour and bitter animosity but, rather, in a spirit of true friendship and with a keen desire to do those things which will be of mutual benefit, and with an equally keen desire not to do anything which would be harmful to either country. That is the spirit in which the representatives of these two countries are meeting here today.

Over the years, honourable senators, each of the two countries has admired and taken pride in the achievements of the other. On Tuesday, February 20, our admiration for our American cousins reached an all-time high as we followed the journey of their courageous astronaut, Colonel John Glenn, in his flight around the world, not once but three times in less than five hours.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): That was a magnificent achievement, not only for Colonel Glenn but for all his fellow citizens. He was modest enough to say that many of his country's scientists and others associated with them were directly responsible in large measure for that successful flight. All the people of that great democracy supported the effort in a manner which must have proved to the world that the United States of America is truly a united nation.

The interest of Canada in this wonderful exploit was such that the House of Commons interrupted its sitting in order to follow the final stages of that journey. The Senate was not sitting at that time, but its members followed every minute of Colonel Glenn's journey through outer space. It is unnecessary for me to say that all Canadians joined with all the citizens of the United States on that day to follow a feat which will be recorded in the annals of history, not only as a great achievement but as one of the most courageous achievements of all time. We congratulate the representatives of the United States who are with us today on that great accomplishment.

May I at this time congratulate you, Mr. Speaker, upon the direction which you have given to the Canadian section of the Canada-United States Interparliamentary Group. You have directed it in not only an efficient manner but also a very pleasant manner.

I join also with the honourable Leader of the Government (Hon. Mr. Aseltine) in welcoming to the floor of the Senate the distinguished members of Congress who are with us, to the distinguished members of Congress who sit behind the bar, and to their wives who honour us today, and add a great deal of charm to this gathering by their presence in the gallery.

I trust that their stay here will be interesting and profitable, and that the close association of the representatives of our Parliament with the representatives of the Congress of the United States of America, both in committee and in social contacts, will result in making even firmer and deeper, if that is possible, the friendship that has existed between us over the years.

Hon. Senators: Hear, hear.

Hon. William R. Brunt: Honourable senators, it gives me a great deal of pleasure to have the opportunity once again of welcoming to our country our friends from the United States who are visiting us as representatives of the Congress of their country and who, along with Canadian members of Parliament, make up an interparliamentary committee which, for the next few days, will be studying some of the problems which concern our two great countries.

This particular interparliamentary committee has been meeting for a number of years. This meeting is, in fact, the sixth. During that time a great number of subjects which were of common interest to both countries have been discussed, and much has been accomplished to eliminate certain irritations which have arisen from time to time between our countries. I feel that the discussions in the past have been profitable and worth while, and I know that the results of the discussions that will take place at the present meeting will be equally worth while.

Honourable senators, the citizens of both our countries are, indeed, fortunate. Unlike West Berlin, there are no air corridors between Canada and the United States.

Hon. Mr. Roebuck: We have a wall, just the same.

Hon. Mr. Brunt: Have we? Well, you can speak about that.

The air is free to be flown by all properly licensed airplanes. There exists between our two countries a border of more than 3,000 miles in length, and unlike East Berlin and West Berlin no crisis has arisen with respect to it in over a hundred years.

It is, indeed, a pleasure for me to welcome certain new members of this committee who are visiting our country. I feel sure you will enjoy your visit and I know you will find the discussions profitable. Time does not permit me to refer to all of the members of the committee, but I would like to refer to one of the co-chairmen, namely, Senator George D. Aiken from the state of Vermont. I have always considered Senator Aiken as one of the founders—or, shall I say, one of the fathers—of this committee. He did a great deal of work in organizing it, and it was through his efforts and those of certain other people that the committee came into existence.

We are all very pleased to have with us again Representative Cornelius E. Gallagher, that great Irishman from New Jersey, who is also a co-chairman. Last year he made a tremendous contribution to our discussions and I know that he will make a similar contribution at this meeting of the committee.

One cannot help but feel a bit of regret that our good friend, Edna Kelly, the congresswoman from Brooklyn, New York, is not a member of the United States delegation to this meeting. I believe that this is the first meeting she has not attended, and I know we are going to miss her because she always took a most prominent part in our discussions. However, we are pleased to have in her place, Senator Maurine Neuberger.

I am going to let honourable senators in on a little secret. Last evening a party was held on the House of Commons side of the building so that the Canadian and American members of this parliamentary committee could become better acquainted. I understand there was a competition held with respect to a dance called the Twist. I am sure all members of the Senate will be pleased to learn that Senator Maurine Neuberger and His Honour the Speaker, Senator Mark Drouin, were adjudged the best Twist dancers.

A year ago when our friends from the United States visited us we took them on a trip to the city of Quebec and were able to provide them with the worst snowstorm that had taken place in that city in many a year. It was quite an experience for them, and I really believe they enjoyed it. However, I do feel that one such experience is sufficient, and I hasten to assure our American friends that we will not again be providing them with the entertainment of a real old-time Canadian winter snowstorm on their present visit to Canada.

The topics which the committee will discuss are: (1) Berlin and European security problems, (2) China policy, (3) United Nations problems, and (4) Defence production sharing. All of these topics will be discussed by a committee known as the Defence and Foreign Policy Committee.

The Economic Committee, in turn, will discuss (1) Relations with the Common Market, (2) Columbia River Treaty, (3) Canada and United States economic problems, and (4) the Richelieu-Champlain Waterway. This is indeed a most interesting group of subjects for discussion, and I am sure that all of us will derive a wealth of benefit from discussing them.

I know that our visitors and friends from the United States will add immeasurably to the discussions which will take place during the next two days, and I feel that as a result our friends will return home with a better understanding of our problems; and I can assure them that we in Canada will have a far better understanding of their problems.

Hon. T. D'Arcy Leonard: Honourable senators, I am happy to join in the welcome to the delegates from the Senate and the House of Representatives of the United States to this sixth meeting of the Interparliamentary Group. May I say you do us great honour when you take time from your own important responsibilities to join us in this meeting.

This particular meeting comes at a propitious time and under rather favourable auspices because of the recent great event to which Senator Ross Macdonald has referred, namely, when Colonel Glenn rode his spaceship thrice around the world. As representatives of your people you can take from us the tribute which we would like to pay to you and to your nation for that magnificent achievement. It was one of the most historic days in the life of mankind and may well be the longest step forward towards world peace that any country yet has taken, and therefore this particular meeting takes place under the most propitious circumstances.

As has been said, the fortunes of our two countries are woven together, and these reciprocal meetings of the legislators of the United States and of Canada afford us an opportunity to strengthen the weave. The full and frank discussions that take place, and indeed they are very frank on occasions, the mutual understandings formed and the warm personal friendships made, afford us an opportunity of solving our joint problems and help us to increase the strength of our support for those causes in which we are jointly engaged.

If you, our counterparts from the United States, derive as much benefit and pleasure from these meetings as we Canadians do, we shall indeed be happy. This meeting also gives us an opportunity to repay, at least in part,

some of the generous hospitality you have shown us on past visits to Washington. We welcome you warmly and we trust your stay will be fruitful and enjoyable, and when the time comes for you to leave us we shall be sorry to see you go but you will carry with you our most sincere good wishes in all your important endeavours.

Hon. Arthur W. Roebuck: Honourable senators, may I join in all the words of good will and kindness that have been expressed towards our good neighbours to the south. I have long referred to the United States as the truest friend any small nation ever had. I feel I am right when I say that our relations are a model to other adjoining nations throughout the world.

Reference has been made by my honourable friend, Senator Brunt, to the wall built between the two Berlins, the east and the west. I thought it was a good reference because there is no such antagonism between Canada and the United States; no one is thinking of building a brick or stone wall between us and guarding it with rifles and barbed wire.

The honourable Leader of the Government in the Senate, Senator Aseltine, spoke about the imaginary border line between our two nations. The border is imaginary so far as geography is concerned but I wish it were a little more imaginary than it is. As a boy of ten years of age I lived on a farm, and I know about the reciprocal trade agreement that had existed between our two countries. Then we adopted a national policy, so-called, of raising tariff walls against our neighbours, including the United States. The United States responded—I do not know that it was response exactly, but it did the same thing and raised its tariff walls against Canada.

I am speaking not as a matter of theory but of experience, for the result was that in those days we on the farms in Canada were poor. Trade with the United Kingdom had not yet developed. Our market was to the south in the United States, and the closing of the borders against Canada was a serious disservice to us in the north.

Gradually, we are coming to understand that good will and good trade are largely synonymous. We may have done something to reduce the tariff wall that caused my youth to be poor in terms of money, but now I would like to see good words expressed in practical measures.

We have been talking a great deal of late about a Common Market. I am not particularly interested in group trade; I would far rather promote a general trade. However, I think the time is coming when we in Canada and you in the United States may be able to get along without any kind of trade or travel line, imaginary or otherwise, between our two great countries, so that we may cross the border without having our luggage examined, and so that we may buy and sell in your country, and you in our country, without officials poking their noses into private business where governments, I think, have no business to go. We can bring our two countries still more closely together by getting rid of the trade wall and on adopting a common emigration policy, by opening our border for travel one way and the other. Let us clear away that imaginary line consisting of mutual tariff obstructions, which I am sure are to the detriment of both countries. I believe their abolition would be to the benefit of us all.

Hon. David A. Croll: Honourable senators, I find myself in the position that, like a great many other senators, I cannot resist making a speech. I have a personal reference to make, which you will understand, for I see my old friend, Pat McNamara of Detroit, Michigan, among the audience. I recall an association that goes back many, many years. Pat is an old friend of Canada. He is an old friend of the city of Windsor. A secretary of mine, the late Dave Conroy, who was with me when I was a minister in the Legislature of the province of Ontario, later became a secretary to him when he was elected to office, and we have always been close friends. My considerable family, both on my side and on my wife's side, make a crusade to support Pat every time he runs. Oftentimes they invited me to participate without actually influencing the local voters.

So I am particularly happy to see my old friend here. He is in Windsor frequently. He was there when Premier Frost visited some time ago. He has been active in helping to break down that wall, if there ever was one—and I have never seen it—between Windsor and Detroit.

Hon. Mr. Roebuck: You are good smugglers there.

Hon. John G. Higgins: Honourable senators, as the month of March has been ushered in and St. Patrick's Day is near and the musical sounds of Irish names have been wafted through this building, let me from the depth of my Irish heart give to our visitors the Celtic salutation, *cead mile failte.*

I am sorry I was not given the opportunity of attending the meeting with the Canadian delegates to the United States last June. If I had done so I could have told, from my own experience, about the abounding hospitality shown. I can only do so now vicariously through my friend, Senator Choquette, who should be on his feet and telling about all the

wonderful things that happened at that time. He has spoken, he has declaimed, he has rhapsodized, on what was done for him and his charming young daughter. How often he told us of countless kindly acts that may very well stay with them as the most wonderful and happy they have ever experienced.

Apparently, I shall never get on any delegation. Probably I lack that innate diplomatic sense or the culture that are necessities for appointment, and I am left to depend only upon age. Some day perhaps this decrepit old man, with broken bones and bent knees, will enter the United States Senate on a visit as a Canadian delegate.

I am sorry we were not given the opportunity of meeting you good people here. That is only for a few, apparently; but it would have been nice if we had got together and talked over what occurred last year. However, we have been given the opportunity of looking at our guests, and the sight is very pleasant.

Hon. Jean-François Pouliot: Your Honour, honoured guests and honourable senators: May I quote to you an example of shrewd diplomacy? I refer to a gentleman who was Minister Plenipotentiary of the United States to Canada in 1939, on the occasion of the visit of the King and Queen to us. In my former constituency of Temiscouata there is a parish by the name of Estcourt, just on the boundary between Canada and the United States. One of my good friends was originally a squatter. He had taken possession of a piece of land which was divided by the boundary, which now divides houses. There are houses which are partly in Canada and partly in the United States—the dining room is in Canada and the kitchen is out in the United States. That gentleman was a farmer. Part of his land was for pasture, as he had wonderful cattle.

Those cattle had to eat, so the cows and the oxen often crossed the border to eat the grass on the American soil. A United States customs inspector, who was very severe, thought that although he could not charge for the American grass eaten by the Canadian cows on the American soil, he had to require that the farmer have a licence permitting the cows to eat on both sides of the boundary. I was very much worried about it. The farmer had to pay a fine for each head of cattle.

Mr. Roper came to Ottawa. He was a delightful gentleman from the south, and I had a pleasant conversation with him about that matter. He told me to leave it with him. I did not hear from him, but some time later I received a wire from the farmer telling me that he had received a cheque refunding the amount that he had paid for the licence for the cattle, together with a paper to sign. He asked me, "What shall I do?" I answered, "Cash the cheque and don't sign anything else."

Afterwards I went to Portland and met the head of the customs office there. I asked him if he knew Mr. Roper. He said, "Very well, he is the gentleman who telephoned me to send a cheque to your farmer."

This is a good example of what diplomacy can do. There was no argument, and no red tape; the matter was attended to by a telephone call. It is worth remembering.

The Hon. the Speaker: Friends from the United States, I greeted you this morning in a somewhat more informal way. Here in the Senate chamber it is more formal, but I must say that it is without a "twist" of the tongue that I greet you again here.

Our greeting to you in the Canadian Senate would not be complete without a few words of welcome spoken in French. I know that our American friends are all bilingual, and Canadian senators who are not may make use of the simultaneous translation system in the chamber.

(Translation):

It is a pleasure for me, honourable senators and members of the Congress, to receive you here and to welcome you officially on behalf of the Senate.

The province of Quebec and the United States are divided by a long and unprotected border. Russia is confined between two walls: the Great Wall of China and the wall of Eastern Germany. But our two countries, as was said earlier, are separated by an open border and our hearts overflow on your side, as yours, we hope, overflow on ours.

Each year, a great number of visitors travel to and fro.

We also have, of course, the Columbia River regarding which we shall come to an agreement, eventually.

(Text):

Honourable friends, we hope that your stay here will be pleasant and very fruitful indeed, and that you will come back.

I now ask Senator Aiken to say a few words. I must say that Senator Aiken and Representative Gallagher were not told that they could again speak from the floor of the Senate. So perhaps they are taken somewhat by surprise.

Hon. George D. Aiken, Senator from Vermont: Monsieur le Président, honourable senators, I want on behalf of the United States delegation to thank you very sincerely for the kind words which have been spoken in this chamber today. It is nearly four years ago that I was first honoured by being

brought to this very spot where I am now. I had come to Canada as an explorer. That was one of the few times I had been to Canada without a fishing pole. But I came as an explorer that day too, exploring the possibility of establishing closer Parliamentary relationships between Ottawa and Washington. You know the results.

Your Prime Minister, your Speaker, and the other officials were pursuing this very goal, and I found I was trailing rather than leading the field.

We have met since then officially and in larger numbers six times, and I believe that these meetings have been one of the most worthwhile things which has happened to us in recent history.

We had no parliamentary meeting since the one in 1943, and I do not know whether or not there had been any previous to that. But now we have had the six meetings and we have made very lasting personal friendships, the finest possession one could have. We have also imparted and received understandings which we would not otherwise have had. We dispelled rumours which floated back and forth across the border and we reached a clearer understanding of each other's position in the event of differing views.

We have met twice a year up to now and it is remarkable how much can happen between meetings. You all know what has happened since we met last. You know of the events in the Congo—they have had their ups and downs—and the things which have gone on on other continents. You know that a year ago we did not have the Common Market proposition facing us. Maybe you know what to do about that problem, but I am not sure that we know just what to do about it yet.

You heard mentioned here that Colonel John Glenn orbited the earth three times between breakfast and lunchtime. We could send him to Ottawa, but if he were to come here in his conveyance he would have to start somewhere in South America to let down. So I do not think that would be feasible.

Mention has been made of the fact that we have 3,000 or 4,000 miles of border and no wall between us. We never want anything like that, although we do have some pasture walls built to keep the cows on the right side of the border.

However, at one time we did have a fort on the border. After the war of 1812 the United States built a big stone fort on the west bank of Lake Champlain, on the boundary. I do not know whether they foresaw the need for protecting the Richelieu waterway or not, but at that time it was an important waterway. They built that fort so that if war came again we could control the Champlain traffic. When the construction of that big fort was completed it was found that it had been built on Canadian soil, and a solution was reached by Canada conveying the land on which it stood to the United States.

Once more I want to thank you for the courtesy and hospitality which has been shown us here; and we look forward to seeing you in Washington at some time in the future. I do not know whether we can put on another contest featuring Senator Neuberger and Hon. Mr. Drouin. I shall not say more about that now, but I can assure you, Maurine, that you are not the only lady senator in North America who can dance.

I want to thank you all again for your hospitality, and to tell you how glad we are to be here at this time.

Hon. Senators: Hear, hear.

Hon. Cornelius E. Gallagher, Representative from New Jersey: Mr. Speaker and honourable senators, on behalf of the House of Representatives I want to extend our sincere thanks for the honour you pay us by inviting us on to the floor of your chamber today. As always, we are delighted to be back, joining with our colleagues here in Canada, renewing our old friendships and making new ones.

The good senator's story of the house being built on both sides of the border, reminds me of a similar instance. Several weeks ago I was in Berlin, and there I saw a house that was built on the border between East and West Berlin. I happened to step into this particular house to ask how things were going. The resident said that the communists had caused him great inconvenience and difficulty, and that he had a very personal score to settle with them. I asked him why that was, and he replied, "Well, you can see my living room and you can see my bedroom here, but those communists have walled up my plumbing, which is in East Berlin."

So we find problems existing in many places, but what we want to do today is to try, in our modest way, to make some small contribution towards the elimination of differences that may exist. I might add that this morning some very warm topics, like Cuba and China, came up before our committee. However, we need to find ways of eliminating these differences. We should seek solutions so that, as representatives of both countries, we can be possessed of a greater understanding to take back to our respective legislative bodies, and, in this small way, add to the understanding that must exist in the future if these problems are to be eliminated.

I certainly want to thank you for being so gracious to us. The snow storm of last year that Senator Brunt mentioned we very much enjoyed, and it was only equalled by the warm hospitality of Senator Quart, when she welcomed us to Quebec City. One of the things we wanted to find out on this trip was whether or not our plane ever got out of that snow storm.

Again, I want to thank you for the high honour you pay us in inviting us here today. The graciousness and hospitality which you extended to us in the past, has been exceeded—though we did not think it possible—by your most cordial welcome today.

I believe that never before in recorded history have there existed two independent nations with such a mutuality of friendship, fondness and purpose as ours possess. I hope that in the days to come we can, through these meetings, add to this greater understanding and the great tradition of friendship that exists between us. Thank you.

Hon. Senators: Hear, hear.

Hon. Mrs. Maurine B. Neuberger, Senator from Oregon: To you, my fellow Americans—for we are all residents of America, and I was very much impressed with the comments of the honourable senator concerning the doing away with borders—I want to say just a word.

Perhaps I am sensitive on this subject of borders because some 15 to 18 years ago my husband wrote an article after one of our many trips to Canada, in which he said that the differences that separate us are small compared to the things we have in common, the things that join us, and that eventually, though maybe not in our lifetime, we can be as one. He knew that he was treading on some Canadian nationalism, but he did not wish such a pronouncement to hurt anyone. We do have a common ancestry and common interests, and we need, perhaps, to stand together and to do away with some of the artificiality that exists between us.

I might say that Dick and I called the Vancouver Hotel in Vancouver our home away from home, because we spent so much time there. I would not hesitate to say that I know more about British Columbia than many residents of that great province.

Hon. Senators: Hear, hear.

Hon. Mrs. Neuberger: I say that because I have travelled through it from Squamish to Kelowna, to Prince George and out again to Prince Rupert, and have a great fondness for the province.

I should like to relate a funny thing that happened to me. Some years ago the Board of Trade of Vancouver invited my husband and me to address its members. It was the first time in the history of that long-established organization that they had ever asked the ladies to attend, but because my husband and I were both in government, they asked us to attend as a team, and they also asked their wives to attend. I never worked so hard on a speech as I did then, because we were given the topic on which we were to address them. Just before that one of your great Canadian writers had written an article in a Canadian newspaper entitled, "What's Wrong with You Yanks?" The Board of Trade asked us to come up with an answer, and gave us the topic, "What's Wrong with You Canucks?" Since I was so fond of Canadians, it was hard for me to write a speech on that topic, but I laboured on it.

Then the great day came, and I was to speak first. I said I thought there was a certain inferiority about Canadians in regard to their culture and their not developing writers and so on. I spoke along that line for a time, and then I got down to the domestic part of it. I said that we American women in particular loved to come to Victoria and Vancouver and buy the beautiful woollens to be found there, but that we took them home and had them tailored there because Canadians did not seem to have the knack of conforming to what we thought was good fashion. I said that a good many Canadian women—this was in British Columbia, of course—looked somewhat rough spun, from the fit of their clothes.

Well, the next morning all the wonderful erudite words my husband had said about Canadian-American relations were lost and the headlines featured this remark I had made. I thought I had softened it by saying how difficult it was to live up to the topic, but my words went across Canada and we did not dare cross the line again for about two years. When I came back I was greeted by a reporter, who interviewed me at my hotel. Lo and behold a short time later, when I went down on the street, there was the Vancouver *Sun* with the great headline: "That woman is here again".

I hope on that occasion I did not disrupt our good relations.

This is my first visit to eastern Canada and I am enjoying the great hospitality which has been shown to us here. Thank you.

Hon. Senators: Hear hear.

PRIVATE BILLS

MUTTART DEVELOPMENT CORPORATION LIMITED—THIRD READING

Hon. Walter M. Aseltine, for Hon. Mr. Brunt, moved the third reading of Bill S-7, respecting Muttart Development Corporation Limited.

Motion agreed to and bill read third time and passed.

SUN LIFE ASSURANCE COMPANY OF CANADA—THIRD READING

Hon. Lionel Choquette, moved the third reading of Bill S-8, respecting Sun Life Assurance Company of Canada.

Motion agreed to and bill read third time and passed.

EXPORT CREDITS INSURANCE ACT

BILL TO AMEND—THIRD READING

Hon. John A. Buchanan, for Hon. Mr. Blois, moved the third reading of Bill C-68, to amend the Export Credits Insurance Act.

Motion agreed to and bill read third time and passed.

ST. LAWRENCE SEAWAY AUTHORITY ACT

BILL TO AMEND—THIRD READING

Hon. Lionel Choquette moved the third reading of Bill C-66, to amend the St. Lawrence Seaway Authority Act.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 111 to 150, which were presented yesterday.

On the motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted, on division.

The Senate adjourned until Tuesday, March 13, at 8 p.m.

THE SENATE

Tuesday, March 13, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATOR WILSON

TRIBUTES

Hon. Walter M. Aseltine: Honourable senators, before we proceed with our regular business I rise with pain in my heart to refer to the passing of a very dear friend, Senator Cairine Wilson, who died on Saturday, March 3. A serious injury had resulted in her confinement to hospital for some time; in fact, she had suffered three serious accidents, which ultimately brought about her death.

The late Senator Wilson was summoned to the Senate some thirty-one years ago, and she became a very active member of this chamber from the first. Honourable senators are also aware that she was the first woman senator to sit in this chamber. Her appointment was an historic one, coming as it did after quite a number of years of controversy and litigation to establish the fact that a woman had the same right as a man to become a member of the Canadian Senate.

The late Senator Wilson came from a political family. Her father, I am informed, was a senator, and sat on this rather than the other side of the chamber. Her husband was a Liberal member of Parliament.

Before and after her appointment, and until the very time of her death, Senator Wilson devoted much of her time and energy to welfare work. She was particularly interested in refugees, in immigrants, and in underprivileged persons.

Senator Wilson held many important posts and positions, and I will be pardoned if I mention only a few. She was Honorary President of the Ottawa Welfare Bureau, and of the Save the Children Fund; she was Chairman of the Canadian Committee for Czechoslovakian Refugees, and was interested in many other like organizations.

The late senator was a life member of the Canadian Welfare Council, the first President of the League of Nations Society of Canada, and the first woman delegate to the United Nations Assembly. For many years she was Chairman of the Senate Standing Committee on Citizenship and Immigration. As I said a moment ago, I could mention many other positions which she held.

Senator Wilson took a very prominent part in all Senate activities. In fact, at the time of her passing she was the sponsor, through the honourable Senator Hugessen who was acting for her, of a Senate bill respecting the Governing Councils of the Salvation Army of Canada East and Canada West.

Honourable senators will wonder how a person with so many outside activities would have time for the running of a home, but in spite of her outside activities which took a great deal of her time, she was a great homemaker. Her home was very important to her; she enjoyed it, and her large family of eight children and fourteen grandchildren. Her lovely residence, Manor House, and the beautiful grounds surrounding it were open at all times to her many friends. I certainly appreciated the many occasions on which I had the privilege of being able to pay visits there. She was a most devoted wife and mother, and a great public-minded citizen.

In the death of Senator Wilson we mourn the passing of a great Christian philanthropist. Her place in this world will be a difficult one to fill. We have lost a faithful friend and a most distinguished colleague. Our hearts go out in deepest sympathy to the members of her family and her relatives.

Hon. W. Ross Macdonald: Honourable senators, it is indeed difficult to pay an adequate tribute to our late colleague, Senator Cairine Wilson. The Leader of the Government has told honourable senators something of her life and her many activities, and I trust that you will pardon me if I repeat some of what he has said.

Senator Wilson was, indeed, a remarkable woman. She seemed to devote all her time and talents to the interests and welfare of others, but never for one moment did she neglect her home or her family; they always came first, and yet nothing which she undertook suffered as a result. Notwithstanding the many honours that were heaped upon her, her greatest pride, as the Leader of the Government has said, was in her eight children, fourteen grandchildren and her one great-grandson.

Hers was a happy and hospitable home, where she and her husband, the late Norman Wilson, at one time member of Parliament for the constituency of Russell, and family were always glad to open their doors to many hundreds of guests, all of whom received an equally warm welcome, whether they came from home or abroad and irrespective of whether they were of high or low birth. She was an active and faithful member of St.

Andrew's Presbyterian Church, where she and her family, whenever they were in Ottawa, were always in attendance on the Sabbath morning.

The Leader of the Government (Hon. Mr. Aseltine) has mentioned some of the organizations to which our late colleague gave active and inspiring leadership. We cannot make the record complete, but perhaps I will be pardoned if I mention some of the organizations of which she was a prominent member. They include the Y.M.C.A. and Y.W.C.A., but more especially the Y.W.C.A.; the Women's Canadian Club; the Princess Alice Scholarship Foundation; the Victorian Order of Nurses; the National Committee for Refugees; the Business and Professional Women's Club; the Zonta Club; the Canadian-American Women's Committee on International Relations; and the National Federation of Liberal Women of Canada. She was one of those largely responsible for the founding of the last-mentioned federation, of which she was honorary president.

The late Senator Wilson received many honours during her lifetime. I shall mention some of them. She was a Dame de Grace of the Venerable Order of the Hospital of St. John of Jerusalem. In 1950, in recognition of her outstanding work for refugee children, the French Government created her a Knight of the Legion of Honour. Queen's University conferred upon her the honorary degree of Doctor of Laws. Acadia University honoured her with the degree of Doctor of Civil Law.

Senator Wilson was admired with affection and esteem by all members of this honourable house and her passing is a personal loss to each one of us.

The honourable Leader of the Government has told us something of the unusual circumstances under which she became a member of the Senate of Canada, being the first woman to become a member. It is interesting to note also that in 1955 she was selected by us to act as Speaker of this house during the absence of the honourable the Speaker on that day. Thus, she became the first woman to preside over the deliberations of this chamber.

When Senator Wilson was in Ottawa she was always to be found in her place in the Senate chamber, and she was rarely absent from committee meetings. As the honourable Leader of the Government has said, she was Chairman of the Committee on Immigration and Labour. She was unrelenting in her efforts to have Canada accept refugees who were eking out a meagre existence in most deplorable circumstances in refugee camps. The acceptance by Canada of a number of such refugees was due in large part to her determination and untiring efforts. Many of those refugees who found new homes and who are now established in Canada will forever call her blessed.

Honourable senators, there is much more that can be said of the accomplishments and the worthwhile contributions of this remarkable woman to her fellow Canadians, but I shall content myself with saying that her good works will long have a deep impact upon the lives of her countrymen. We in this chamber deem it a privilege to have been associated with one of such great charm and intelligence who served the Senate and the people of Canada with unusual distinction.

To her loved ones I join with the honourable Leader of the Government in extending our very deep sympathy.

Hon. T. A. Crerar: Honourable senators, over the past nine months the Angel of Death has paid frequent visits to the membership of this house, but of all those occasions there is not one that moves us more deeply than does the passing of the gentle lady to whom we pay our tributes this evening.

The late Senator Wilson moved in and out among us "wearing the white flower of a blameless life". She was born a little over seventy-seven years ago in the spacious days of the late Victorian era. Her family was well known in the city of Montreal. She passed through school and college, and in the home of Sir Wilfrid Laurier, in the early years of the century, she met the gentleman who was to be her husband and her helpmate through life.

Those were the days, I am fain to remark, when courtesy and honour flourished more fully than they do at the present time. She assumed the duties of a housewife. She was the mother of eight children, and when the task of rearing them was done she devoted her abilities to the welfare work of her fellow men.

Senator Wilson was not a great intellectual, and I think she was the better for that. People with strong intellects often lack imagination and sympathy. Her qualities were the qualities of the heart, and I would remind honourable senators that in the Book of Proverbs, where great wisdom is distilled, there appear these words:

> Keep thy heart with all diligence; for out of it are the issues of life.

And that was essentially true of Cairine Wilson: gentle, honourable, courageous and sympathetic. Her heart went out to every good cause; it throbbed for everyone in trouble

or distress, and she gave not only of her time but of her substance to try to remedy as far as lay within her power the injustice and the wrongs of a long-suffering world.

And so she has passed from us. Her memory, I venture to say, will remain green with us as long as we in this chamber still have our responsibilities in this life. She was a fine example of motherhood. She was a fine example of unselfish, devoted service to mankind, and on the long roll of the record no one has played a more distinguished part to her fellow-men and women in this country than did the late Cairine Wilson.

I join with the honourable Leader of the Government (Hon. Mr. Aseltine) and the honourable Leader of the Opposition (Hon. Mr. Macdonald) in the words of sympathy they have directed to the family of the late senator. But the greatest solace that will come to her children and to her friends is the recollection of the life that she lived, at all times the self-sacrificing effort that she made for the betterment of humanity.

(Translation):

Hon. Mariana B. Jodoin: Honourable senators, on behalf of the women of the province of Quebec, I should like to associate myself wholeheartedly with the compliments so richly deserved by the first Canadian woman appointed to the senate in 1930, who was born and who has lived in Montreal, in the heart of Quebec.

A lady of great personal charm, she belonged to a family of distinguished parliamentarians. Brought up in an environment where politics was the main topic of conversation, Mrs. Cairine Wilson gave her support to a cause which was dear to her, that is, the advancement of women in the field of public life, without, however, neglecting her family duties. Her happy home, composed of eight children and numerous grandchildren, is an obvious proof of that.

On her appointment in 1930, she stated, in French, in the course of a brilliant speech in the Senate:

> "I keep a tender memory of my native province, of the old French province of Quebec, where it is good to live, on account of that great spirit of tolerance towards the English-speaking and Protestant minority of Quebec, and which I should like to state as an example to the whole of Canada.

It is only fair, at this time, when gratitude is the order of the day, that on behalf of the women of Quebec I should express to the first Canadian woman appointed to Senate a fond remembrance and our sincere appreciation for her example of devotion to the women's cause.

Personally, I should like to thank her for the warm welcome she gave me when I was appointed to the Senate.

> I shall feel less alone, she told me,
> because union is strength.

To her bereaved family, I extend the most sincere sympathies of all French-speaking Canadian women.

(Text):

Hon. Muriel McQ. Fergusson: Honourable senators, it is with the deepest sorrow mingled with pride that I wish to pay a tribute, in this chamber which knew her for so many years, to the late Senator Cairine Reay Wilson, whose death leaves a permanent and aching void in the lives and hearts of a great many people, including my own.

The sorrow flows from the irreparable loss we all have suffered. We will miss seeing Senator Wilson in these halls. We will miss the kindly interest she took in everyone for, as was said in a poem recently dedicated to her and which was published in one of the Ottawa newspapers after her death,

> She served the artisan and erudite with
> equal fervor,
> leaving each a vast inheritance.

We will miss the unwavering support that we knew she would always give to legislation or projects she considered were for the public good, particularly if she thought they were for the benefit of people less fortunate than herself. Canadians, and many people beyond Canada, will long remember the tremendous amount of work she did over many years on behalf of refugees.

Senator Wilson had excellent judgment, and we will miss her wise counsel and advice, as we will miss, too, the friendship and hospitality she extended so generously and so graciously.

We are glad, I am sure, that in the antechamber of the Senate we have in remembrance of her a beautiful marble statue which was placed there in 1960 upon the occasion of the thirtieth anniversary of her appointment as Canada's first woman senator.

The pride that I mentioned is shared by all Canadian women when we look back over Senator Wilson's career and realize how ably she filled the difficult role of being Canada's first woman senator. When Cairine Wilson accepted the honour of an appointment to the Senate in 1930—and we all know that such an appointment is a great honour —being the daughter of a senator she realized that her appointment was not only an honour but carried with it many duties and responsibilities, and she seriously took upon herself the obligations accompanying the office.

Through all her thiry-two years in the Senate, Cairine Wilson carried the honour of being a senator—as well as many other honours which she subsequently won for herself—with dignity and distinction. She also won deep respect for her conscientious and scrupulous observance of her Senate duties and responsibilities. Again, to quote from the poem I referred to earlier:

> The halls that heard her footsteps
> were respectful in her presence
> and behind her back.

Senator Wilson not only won respect for herself and a place in Canadian history but, by her example, she helped to make a respected place for women in public life in this country. For this legacy, Canadian women, who are saddened by her death, will long remember and pay tribute to her.

In my own province of New Brunswick there is sincere mourning for Senator Wilson. Although her home was in Ottawa, for many years she spent the summer months at St. Andrews, that beautiful New Brunswick town by the sea. She became widely known throughout the province for the active interest she took in community affairs, in church and social life, in local organizations, particularly the Women's Institutes, and in the local schools which owe many prizes and scholarships to her generosity. Throughout all of New Brunswick, Senator Wilson is remembered with affection, with gratitude and with pride.

It is unnecessary for me to repeat Senator Wilson's accomplishments, which have already been spoken of by preceding speakers; nor need I repeat the honours that have been conferred upon her which, as you know, were many. My feeling of respect for her is such that for myself I hope for nothing better during my remaining years in the Senate than that I might emulate Senator Wilson in her conscientious observance of her duties, her compassion for the unfortunate and the kindness and friendship she showed so freely to all with whom she came in contact.

With the Leader of the Government, Senator Aseltine, the Leader of the Opposition, Senator Macdonald, and Senator Crerar and Senator Jodoin, I, too, extend my deepest and most sincere sympathy to the members of Senator Wilson's family.

Hon. Olive L. Irvine: Honourable senators, may I be permitted to share in the tributes being paid this evening in memory of our colleague, the late Honourable Cairine Wilson.

During the short time that I have had the honour to sit as a member of this chamber I have had the most profound admiration for this great Canadian. For years I read with interest the remarkable record of our first woman senator. To all, she was first and foremost a woman in the true sense of the word. Secondly, she was an excellent mother, not only to her own large family, but to all who were crippled, handicapped, or in any way downtrodden. In Canada today there are hundreds of men and women who on account of her compassionate heart will ever call her blessed.

Her race is run; Canada has lost a great Canadian, but her example will live on. Especially so will her passing be felt among the women members of the Senate of Canada, who have learned to love and admire her sterling qualities. I am happy in the fact that I have been given the privilege and opportunity to share the fellowship of her mind and spirit.

Honourable senators, I join with the Leader of the Government, the Leader of the Opposition and other of my colleagues who have expressed the great sympathy and the serious loss we feel in the death of Senator Cairine Wilson, and in extending our sympathy to the members of her family.

Hon. F. Elsie Inman: Honourable senators, again we are called upon to mourn the passing of a highly respected and greatly beloved colleague and valuable member of this chamber.

The death of Senator Wilson is a distinct loss to the Senate, where she was an outstanding personality, a true and loyal friend to her associates.

Senator Wilson epitomized the ideal Canadian woman and all that is best in womanhood. She engaged in, and sponsored, every worthwhile organization and movement which contributes to the welfare of others, not only in her own communities of Ottawa and St. Andrews in New Brunswick, but in all Canada, and indeed much farther afield. An able organizer, she always gave freely of her time and means to promote the well-being of those in other countries who are not as fortunate as Canadians. Her horizons were wide and deep. Still she never allowed the scenes of these horizons to dim her view of the closer needs. Her advice and assistance were often sought and she gave of both generously, whenever and wherever required.

Senator Wilson's appointment to the Senate in 1930 was acclaimed by all Canadian women, irrespective of political colour. Her appointment was indeed a wise choice, for Senator Wilson cut the bonds of prejudice against women in public life, and by her example proved that women can easily and readily shoulder their responsibilities in public service.

I had known Senator Wilson for many years and found her always a true and sincere friend. She could not be otherwise, for she was fair, generous-minded and big-hearted, a champion of what is best in life. I consider it a great privilege to have known her and to have been associated with her as one of her colleagues and as a friend in this chamber.

To her sorrowing family, I wish to express our deepest sympathy in their sad bereavement.

(Translation):

Hon. L. M. Gouin: Honourable senators, in a gesture of noble gratitude, France had bestowed the Legion of Honour upon the one who has passed away. She loved our former mother country and was familiar with French culture which she appreciated. It is therefore in my mother tongue that tonight I shall pay her this final tribute.

Honourable Cairine Wilson was, in the full grace of this beautiful phrase, a grand lady. An excellent education was a complement to her natural charm. And because she was a grand lady, she never acted haughty. As you all know, honourable senators, she was good-hearted, she was as good as bread, as we say in Quebec. Her heart was in the right place and with generosity sought to relieve all human affiictions: war-victim children, refugees, immigrants and many other charitable works in which I was her humble associate.

She was a community-minded woman. She was untiringly and steadfastly dedicated and we were proud to see amongst us that distinguished Canadian lady who did honour to our Liberal ideals.

Mother, grandmother and great-grandmother, she brought up a fine and large family and to all of them, I offer the expression of my deep sympathy.

The name of Cairine Wilson will remain forever written in gold letters in our Canadian annals, as both the Leader of the Government and the Leader of the Opposition have pointed out.

She was the first Canadian woman named to this house. She also was the first Canadian woman to represent her country at the United Nations. She considered it an honour to represent her country, but it was also an honour for our country to have her as our representative.

The name of Cairine Wilson stands out in the evolution of human rights. The good she has done will endure after her passing. Through her courage and her kindness she belongs to history. Therefore, before I conclude my remarks, I want to quote those verses written by Canon Lionel Groulx:

Ils gardent l'avenir ceux qui gardent l'histoire,
Ceux dont la souvenance est sans mauvais remords,
Et qui, près des tombeaux, sommeillent dans la gloire,
A l'âme des vivants mêlent l'âme des morts.

We all want tonight to bow our heads to pay a tribute to that kind and gentle friend and unite our hearts to hers, unite our souls to hers which was so deeply Christian.

(Text):

Hon. A. K. Hugessen: Honourable senators, there is but little that can be added to what has already been said, and so eloquently said, by the speakers who have preceded me. They have told us much about the position which Cairine Wilson occupied in the public life of this country and as a member of this chamber. There is no need of repetition of that; the record speaks for itself. All that I want to do is to pay a tribute, a very deep-felt tribute, to her personality as a woman and a friend.

From the day that I was summoned to the Senate, now more than twenty-five years ago, Cairine Wilson became and remained until the end a good friend to both my wife and myself. To visit her in her home, in the delightful family life which she created and by which she was surrounded, was a happy experience, and the personal qualities which she showed in her home were the same qualities which she showed in the wider field of public service and which so greatly distinguished her. They can be summarized in a very few words—a deep humanity, a generous spirit, and a high sense of public duty. It is to the combination of these fine qualities, and their application in many fields of practical benevolence, that so many thousands of men and women from one end of this country to the other owe so much, and it is they who will venerate her name and remember it in the years to come.

Honourable senators, we in this chamber have lost much in the passing of Cairine Wilson, and we can realize how much more has been lost by those of her immediate family, to whom she was so dear and so near. I join with the leaders of both sides of this house and with the other honourable senators who spoke in extending our profound sympathy to the members of her family.

Hon. Arthur W. Roebuck: Honourable senators, it is not my intention to endeavour to add to the tributes that have been paid, and so well paid, and so thoroughly deserved by the late Cairine Wilson. However, there is one incident which I would like to recall. As someone has spoken about the

charm and the intelligence of the late Cairine Wilson, I would like to say a word with regard to her adherence to a high and noble principle, an adherence that could gain her nothing in status or any other way but which nevertheless was a tribute to her character.

There were many incidents in the last war of which we Canadians are very justly proud, and naturally there are some which we would like to forget, one of which was our treatment of the Japanese-Canadian citizens on the Pacific coast. I shall say no more about that proceeding because we all know of it, except to say that there was nothing to be gained in status or by appreciation of one's fellow citizens in espousing the cause of the downtrodden Japanese at that time. They were the most unpopular people in Canada in the early stages of the last war. We held a meeting in the city of Toronto to protest against the treatment that was being accorded them. I was the principal speaker at that meeting, but I have always held a great admiration for Cairine Wilson for the courage and character which she exhibited in travelling from Ottawa to Toronto to attend that meeting. She came there and spoke on behalf of her fellow Canadian citizens of Japanese origin. I was filled with admiration and I have always remembered, with a certain degree of gratitude to Cairine Wilson, that she had the courage to espouse the cause of the underdog, of the oppressed, of the downtrodden, without any possibility of benefit to herself.

I join in the tributes that have been paid to her and in the expression of sympathy to her family; and I would like to add that I do it because, above all things, of her adherence to high and noble principles.

[*Later:*]

Hon. Josie D. Quart: Honourable senators, due to an unavoidable delay, I arrived late at the Senate tonight. May I now join with my honourable colleagues in their expression of sorrow on the passing of Senator Cairine Wilson, a distinguished colleague and an outstanding personality. It will indeed be difficult to realize that she will no longer take her place with us in this chamber.

Historical events can at times be very confusing as to names and dates, but the memorable occasion when the first woman senator, the Honourable Cairine Wilson, was appointed to the Senate, will ever be remembered and recorded in the pages of Canadian history as well as in the records of all women's national associations. For what woman in Canada did not follow with pride her appointment to this chamber? It has been given to few Canadian women, if any, to date, to serve so long in any official capacity.

We who follow her footsteps in this honourable and august chamber can only hope that her life and achievements will be an inspiration to all women who are called to serve their country in the Senate.

I have always admired the manifest talents and accomplishments of Senator Wilson but, above all, her valiant and indomitable spirit to surmount all obstacles. During her colourful career she made tremendous contributions with unselfish devotion to philanthropic, civic, political and to many other fields of endeavour.

Personally, I shall always treasure as precious souvenirs her kind letters of congratulation to me when I was appointed a Canadian delegate to the United Nations General Assembly and again when I was a delegate to the United Nations Status of Women Commission. Then when I was privileged to become a member of the Senate she graciously welcomed me and offered her help and kindly advice.

Success crowned her life, and may her eternal reward be great. May she rest in peace.

To the members of her family I wish to extend my most sincere sympathy in their great loss.

The Hon. the Speaker: Honourable senators, as a final and heartfelt tribute to our beloved colleague I would ask you to stand at your places for a few moments of prayer.

Honourable senators stood in silence.

REPRESENTATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-14, to amend the Representation Act.

Bill read first time.

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-49, to amend the Small Businesses Loans Act.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Clarence V. Emerson: With leave of the Senate, I move the second reading of the bill now.

Hon. Walter M. Aseltine: Honourable senators, may I at this time inform the house of the business to come before us, and why leave is being asked for second reading of this bill tonight. The Representation Act, the measure now before us, and three other bills to be introduced for first reading tonight, makes five bills for consideration this week. In addition we also expect the supplementary estimates tomorrow or the next day. For those reasons, I would like to go ahead with second reading of this bill this evening, and the honourable senator from Saint John-Albert (Hon. Mr. Emerson) is ready, with consent of the Senate, to open the debate on motion for second reading. I trust he will be given permission to proceed so that we can deal with this one bill, if possible, this evening.

Hon. W. Ross Macdonald: Honourable senators, the Leader of the Government having mentioned some of the business to come before the house, I should like to ask a question of him. However, I should like to preface it with a few remarks. I am sure we are all pleased to see the honourable senator from Royal (Hon. Mr. Brooks) back with us, in his accustomed place in the house. During the last six months, approximately, he has been ably representing Canada at the United Nations.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald (Brantford): All Canada is proud to have had him as its representative. On this side of the house we are at times apt to criticize the Government and the Prime Minister for what they do, but I am sure we all support the Prime Minister in that appointment.

My question of the Leader of the Government is this: Will there be an early opportunity afforded the honourable senator from Royal to tell us something of his activities at the United Nations?

Hon. Mr. Aseltine: I too want to congratulate the honourable senator from Royal on the good work that he has been doing in New York. The Secretary of State for External Affairs, the Honourable Howard Green, has told me on several occasions how pleased he has been to have him there, and how much confidence he has in him. I am also pleased that the Leader of the Opposition has turned over a new leaf—

Hon. Mr. Brunt: Hear, hear.

Hon. Mr. Aseltine: —and that he is praising the honourable senator from Royal for his good work.

At the first opportunity I shall be glad to arrange matters so that the honourable senator from Royal can give us a full report, but I doubt that it will be this week. I hope that you, Senator Brooks, will be in attendance here for some little time, and that perhaps we shall be able next week to arrange for you to tell us your story of the big things that have been done, and of some of your accomplishments at the United Nations.

Hon. A. J. Brooks: Honourable senators, were I a modest man I should be very much embarrassed by the kind remarks of the honourable Leader of the Opposition and my other friends in the Senate. I am not particularly anxious to make a report on my duties at the United Nations at the present time, and I should be pleased to wait until the Leader of the Government deems the time ripe. I thank you very much, honourable senators, for your kind remarks.

Hon. Jean-François Pouliot: Honourable senators, I happened to be an observer at the United Nations when the mission was led by the Honourable Howard Green and the honourable senator from Royal. I admired the good teamwork that existed on the mission. For the present moment I must say to you that our colleague the honourable senator from Royal has proved to be a career-diplomat on every occasion.

Hon. Mr. Emerson: Honourable senators, the purpose of Bill C-49 is to extend the facilities provided by the Small Businesses Loans Act, which I had the honour of sponsoring in this chamber a year ago last December.

The explanatory note is quite clear, and I do not intend to take up much of your time in explanation of the bill. Experience gained through the operation of the Small Businesses Loans Act for over a year indicates that small business enterprises need the assistance of the Government guarantee where relocation of their premises is required. This bill will render that assistance.

With leave of the Senate, I should like to have included in *Hansard* a breakdown of the 2,737 loans made under the terms of the act since last spring, when, in effect, it commenced to operate, and until November 30, 1961, the last date for which I have complete statistics.

Some Hon. Senators: Agreed.

SMALL BUSINESS LOANS

Breakdown by Major Categories

30 November 1961

Provinces	Manufacturing Industries		Wholesale Industries		Retail Industries		Services Industries		Totals	
	No. of Loans	Vol. of Loans	No. of Loans	Vol. of Loans	No. of Loans	Vol. of Loans	No. of Loans	Vol. of Loans	No. of Loans	Vol. of Loans
British Columbia	60	556,472	18	102,741	103	681,975	180	1,712,876	361	3,054,064
Alberta	49	415,957	11	84,586	88	566,255	108	916,265	256	1,983,063
Saskatchewan	12	99,908	4	31,629	79	444,560	102	757,383	197	1,333,485
Manitoba	24	123,517	3	23,980	62	447,810	62	566,397	151	1,161,704
Ontario	157	1,270,483	35	211,831	274	1,720,733	457	4,276,695	923	7,479,473
Quebec	181	1,848,756	19	194,694	217	1,850,196	208	2,475,991	625	6,369,638
New Brunswick	14	83,067	2	30,000	22	131,442	38	363,898	76	608,407
Nova Scotia	20	183,963	6	20,032	27	172,191	42	418,218	95	794,405
Prince Edward Island	9	57,330	3	19,000	9	32,765	9	85,237	30	194,332
Newfoundland	3	35,500	3	21,400	13	88,676	4	36,000	23	181,576
All Canada Totals	529	4,674,955	104	739,893	894	6,136,604	1,210	11,608,968	2,737	23,160,421

Hon. Mr. Emerson: This table shows the distribution of the loans by number, by value and by provinces for the different industries. It shows that there has been quite a substantial utilization of the legislation, considering that it is a new project and that many small businessmen are probably not completely aware of it as yet.

There are those who will argue that the scope of the assistance should be much broader. I should, with respect, remind honourable senators that this legislation is designed to augment conventional credit facilities, not to supplant them.

As is necessary with most new legislation, it is important that we move carefully and with proper evaluation of the situation as experience is gained. A year of experience is not long, and the future may show that further amendments to the act are wise and expedient. Experience to date shows that this present amendment is wise and expedient. An educated estimate is that the second year of operations under the act, when amended, should show guaranteed loans to small businesses in the neighbourhood of $50 million.

I commend this bill to honourable senators and, if given second reading tonight, I propose to move that it be referred to the Standing Committee on Banking and Commerce for further consideration.

Hon. T. D'Arcy Leonard: Honourable senators, I rise to speak in support of the principle of this bill and, at the same time, to voice a few words of criticism which, however, I hope might be construed as constructive criticism.

In the first place, may I congratulate the honourable senator from Saint John-Albert (Hon. Mr. Emerson) on his remarks in explanation of the purpose of the bill, giving us the benefit of the experience to date under the act, and on his comments as to the expectations with respect to it.

Actually the amendment contained in this bill is a minor one. As the honourable senator from Saint John-Albert said, it merely extends the purposes for which a loan may be made under the act to include relocating the premises of the borrower.

My criticism of the bill is not with respect to what it contains but to what it omits.

In that connection, may I go back to the act itself, and its introduction and passing last session. The act passed in December 1960, with the support of both Opposition and Government in both houses, followed a pattern or a philosophy of legislation which has been used on a number of occasions in the past twenty-five or thirty years. That is a pattern or philosophy of co-operation between the Government and private enterprise. It may be pleasant to contemplate the existence of some clear line of demarcation between the realm in which the Government has full jurisdiction and that in which private enterprise operates. However, experience over the years has shown that there is a border land. One might say that sometimes there is quite a gulf between those two jurisdictions, though that gulf has been successfully bridged on a number of occasions by a joint operation between Government and private enterprise.

Perhaps the most striking example of co-operation was in connection with housing. In the 1930's, the Government desired housing loans to be made in a field which went beyond the powers of the normal lending institutions—the life insurance companies and the other lending institutions—where there was a need for loans beyond the 60 per cent, which was then the limited amount of the loan that an institution could make. It was also desired to make loans in areas where borrowing was expensive.

That was the origin of the National Housing Act and of the Central Mortgage and Housing Corporation, wherein the facilities of the existing private institutions, life insurance companies and other loan companies and trust companies were used without requiring a duplication of Government machinery, and at the same time Government credit was added to the credit of the institutions, and Government control was put on to see that the public interest would be protected. Looking back over the years, everyone will agree that that operation has been and undoubtedly will continue to be a great success.

A similar type of combined jurisdiction was put into effect in connection with home improvement loans, where the banks and the Government joined together.

Consequently, when there appeared to be a need for additional credit for small business, it was right and proper for the Government to turn to this pattern which had had a successful experience and ask the banks to use their facilities to make loans to borrowers who qualified, while at the same time the Government stood behind the loans to a percentage of the possible losses involved. That principle was acceptable to all parties in both houses and was the basis for the legislation then enacted.

I was one of those who felt at the time that the legislation as introduced was too confining, too narrow and too restricted. At the same time, it was legislation which was new and which did need some testing time. Consequently, one could not be too dogmatic in one's criticism. However, the result of the year shows that those criticisms are valid and that the act as it now stands is too

narrow and too restrictive, and that the amending legislation should go further than it does.

The first particular ground of criticism is that the amount of the loan itself is too small. The maximum loan which can be made is $25,000. The second criticism is that the definition of the kind of business which qualifies for a loan is also too limited. The act is limited to businesses with a turnover of not over $250,000. In my own view, the size of the loan could quite properly be doubled or more than doubled. Similarly, the size of turnover could be doubled or trebled. This would still leave the act a proper performance of the functions of co-operation as between Government and lending institutions.

Some may think that those limits which I have suggested would be too high, but one must remember that many of these small businesses are not just one-man businesses. Very often two or three young men, or even more, join together to start a new enterprise. That business has to support not just one man but two or three partners. In such circumstances, the limitation of a turnover to $250,000 a year is unsuitable.

According to the results of the year, notwithstanding that the maximum amount provided for loans under the act was $300 million and that the act was to terminate in December 1963—and it was that sum of $300 million which, of course, received the publicity and headlines, as if there were a possibility that some such amount was in demand or would be used—the actual amount of advances up to the end of December 1961 was under $26 million.

Even with the figure of $50 million suggested by the honourable senator from Saint John-Albert (Hon. Mr. Emerson), bearing in mind the repayments which are being made all the time on these loans, it would seem to me that the total amount of $300 million might not be reached even in ten years. Indeed, it might never be reached, since the repayments on the existing loans would exceed the new loans being made long before the $300 million figure would be reached, certainly under the act as it is now.

In those circumstances it is my hope that the Government will give further consideration to increasing the amount of the loans that may be made, and to extending the definition so that it will embrace businesses that have a turnover larger than $250,000. It is my opinion that the purposes for which a loan can be made should also be reconsidered and extended.

I am glad to hear that the bill is going to committee where we shall have an opportunity of hearing from those who are in actual contact with the operation of the act. In the meantime I am very happy to support the principle of the bill. It is a good bill, but it does not go far enough.

Hon. Mr. Croll: Honourable senators, I have no objection to second reading of the bill now, but as I understood the honourable sponsor (Hon. Mr. Emerson), he asked permission to place upon the record what I think he called a breakdown table of the number and amounts of loans made and other information. That will appear in the record which will be delivered to us tomorrow. I hope it is not the intention to send this bill to the Standing Committee on Banking and Commerce before *Hansard* is available to us tomorrow. If such is the intention then I shall adjourn the debate; if it is not, then I have no objection to second reading now.

Hon. Mr. Aseltine: Honourable senators, with respect to that point I would say there are three bills which will be going to the Standing Committee on Banking and Commerce. They are, this bill to amend the Small Businesses Loans Act, a bill to amend the Farm Improvement Loans Act, and a bill to amend the Fisheries Improvement Loans Act. I presume the same officials are interested in all three bills. It may not be necessary for the Farm Improvement Loans bill and the Fisheries Improvement Loans bill to go to the committee because they provide only for an extension of the time for another three years.

It was my hope that this bill would go to the committee either tomorrow morning, or when the Senate rises tomorrow afternoon.

Hon. Mr. Croll: I did not even know those two other bills existed. I have no special interest in them, but with respect to this particular bill, the honourable sponsor felt that there was certain information that we should receive. I would like to see *Hansard* before this bill goes to committee, and that will not be possible if it is read the second time now and considered in committee tomorrow morning. If the honourable Leader of the Government (Hon. Mr. Aseltine) will assure me that the bill will not go to the committee until after I have had an opportunity of seeing *Hansard* I will not stand in the way of its receiving second reading now.

Hon. Mr. Choquette: Would my honourable friend be satisfied if a copy of the table were given to him now?

Hon. Mr. Croll: Yes, I would be quite satisfied if the honourable sponsor of the bill (Hon. Mr. Emerson) sent me over a copy of the breakdown. I think I will be able to study it before tomorrow morning.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Emerson bill referred to the Standing Committee on Banking and Commerce.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-73, to amend the Farm Improvement Loans Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-74, to amend the Fisheries Improvement Loans Act.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate, I move that this bill be placed on the Order Paper for second reading at the next sitting. I would appreciate it very much if the bill to amend the Farm Improvement Loans Act and this bill were placed on tomorrow's Orders of the Day as Nos. 1 and 2, ahead of the other business.

Hon. Mr. Macdonald (Brantford): Honourable senators, may I ask the honourable Leader of the Government (Hon. Mr. Aseltine) if it is his intention to proceed with consideration of the supplementary estimates before the second readings of these bills?

Hon. Mr. Aseltine: Yes. The supplementary estimates will come over in the form of a bill, and I shall ask the leave of the Senate to proceed with them before we deal with anything else.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF A LINE OF RAILWAY BETWEEN MATANE AND STE. ANNE DES MONTS, QUEBEC—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-67, to authorize the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Interim Agreement between Canada and the United States of America respecting tariff negotiations, pursuant to Article XXVIII of the General Agreement on Tariffs and Trade, done at Geneva, March 7, 1962. (English and French texts).

Summary of schedules annexed to the foregoing agreement indicating concessions received and given by Canada. (English and French texts).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, February 28, 1962, pursuant to section 7 of the Regulations Act, chapter 225, R.S.C. 1952. (English and French texts).

Consolidated Index and Table of Statutory Orders and Regulations published in the *Canada Gazette*, Part II, for the period January 1, 1955, to December 31, 1961. (English and French texts).

Report on activities under the Maritime Marshland Rehabilitation Act for the fiscal year ended March 31, 1961, pursuant to section 9 of the said Act, chapter 175, R.S.C. 1952. (English text).

Report of the Board of Transport Commissioners for the year ended December 31, 1961, pursuant to section 31(2) of the Railway Act, chapter 234, R.S.C. 1952. (English text).

Report of the Department of Trade and Commerce, intituled: "Private and Public Investment in Canada—Outlook 1962—and Regional Estimates". (English text).

Report of the Department of Northern Affairs and National Resources for the fiscal year ended March 31, 1961, pursuant to section 11 of the Department of Northern Affairs and National Resources Act, chapter 4 of the Statutes of 1953-54. (English and French texts).

Joint Press Statement on the sixth meeting of the Canada-United States Interparliamentary Group, including reports of two committees, held in Ottawa on March 1 and 2, 1962. (English and French texts).

Report of the Governor of the Bank of Canada and Statement of Accounts for the year ended December 31, 1961, pursuant to section 27(3) of the Bank of Canada Act, chapter 13, R.S.C. 1952. (English and French texts).

Interim report of the International Migratory Bird Committee, dated December 15, 1961. (English text).

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

JOINT PRESS STATEMENT ON SIXTH MEETING

Hon. Walter M. Aseltine, with leave of the Senate, moved:

That the Joint Press Statement on the sixth meeting of the Canada-United States Interparliamentary Group, including reports of two committees, held in Ottawa on March 1 and 2, 1962, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of Statement see appendix "A", pp. 297-301.

PRIVATE BILLS

RELIANCE INSURANCE COMPANY OF CANADA —FIRST READING

Hon. L. P. Beaubien presented Bill S-12, respecting Reliance Insurance Company of Canada.

Bill read first time.

Hon. Mr. Beaubien (Bedford) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

POLARIS PIPE LINES—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-13, to incorporate Polaris Pipe Lines.

Bill read first time.

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADA SECURITY ASSURANCE COMPANY—FIRST READING

Hon. Olive L. Irvine presented Bill S-14, respecting Canada Security Assurance Company.

Bill read first time.

Hon. Mrs. Irvine moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-103, for the relief of Giuseppe de Cristoforo.

Bill SD-104, for the relief of Wilfrid Giroux.

Bill SD-105, for the relief of Anne-Marie Somlo.

Bill SD-106, for the relief of Margaret Ellynore Abbott.

Bill SD-107, for the relief of Madge Estelle Pinkerton.

Bill SD-108, for the relief of Angus McIntosh.

Bill SD-109, for the relief of May Margaret Morelli.

Bill SD-110, for the relief of Linnea Erna Barbara Walker.

Bill SD-111, for the relief of Joan Marjorie Gregor-Pearse.

Bill SD-112, for the relief of Jean Guy Prud'homme.

Bill SD-113, for the relief of Aline Helene Smith.

Bill SD-114, for the relief of Marie Aleta Meerovitch.

Bill SD-115, for the relief of Beverley Hayden Crerar.

Bill SD-116, for the relief of Brigitte Dophide.

Bill SD-117, for the relief of Constance Valerie Laurie.

Bill SD-118, for the relief of Robert Harrison.

Bill SD-119, for the relief of Marketa Tata.

Bill SD-120, for the relief of Margaret Anna Kenwood.

Bill SD-121, for the relief of Robert Charles Chapman.

Bill SD-122, for the relief of Rose Duval.

Bill SD-123, for the relief of Louise Doyle.

Bill SD-124, for the relief of Sandra Elizabeth McVety.

Bill SD-125, for the relief of Jean Bernard L'Heureux.

Bill SD-126, for the relief of Mildred Kligman.

Bill SD-127, for the relief of Lucille Goresky.

Bill SD-128, for the relief of Ivy Elizabeth Sherry.

Bill SD-129, for the relief of Haidy Amalie Madelaine Jack.

Bill SD-130, for the relief of Florence Patricia Da Silva.

Bill SD-131, for the relief of Nancy Ruth Grabina.

Bill SD-132, for the relief of Paul Aime Bedard.

Bill SD-133, for the relief of Edward Sidney Mansfield.

Bill SD-134, for the relief of Harry Hyman.

Bill SD-135, for the relief of Patricia Rose Rankin.

Bill SD-136, for the relief of Marsha Liberman.

Bill SD-137, for the relief of Elizabeth Lillian Small.

Bill SD-138, for the relief of Catherine Mildred Gray.

Bill SD-139, for the relief of Klara Brody.

Bill SD-140, for the relief of Rene Hebert.

Bill SD-141, for the relief of Abie Herscovitch, otherwise known as Allan Herscovitch.

Bill SD-142, for the relief of Rosaire Gauthier.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CURLING

CANADIAN CHAMPIONS—TRIBUTE TO VICTORIOUS RINK

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are called I wish to draw your attention to the performance of the Saskatchewan Rink in winning the Canadian curling championship at Kitchener, Ontario, last week. The victorious rink is a family group made up of Ernie Richardson and his brother Garnet, and cousins Arnold and Wes. I understand that it is the first time in the history of this great game that a rink with identical personnel has won the Canadian curling championship three times. I have boasted about this before; the Richardson boys are relatives of mine. Their grandparents came from the county of Pontiac in the province of Quebec.

I watched with a great deal of pride the telecast of Saskatchewan's final victory.

PRIVATE BILL

SALVATION ARMY GOVERNING COUNCILS—SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill S-11, respecting the Governing Council of the Salvation Army, Canada East, and the Governing Council of the Salvation Army, Canada West.

He said: Honourable senators, for some reason of which I am quite frankly unaware the affairs of the Salvation Army in this country are administered by two separate bodies, one called the Governing Council of the Salvation Army, Canada East, and the other called the Governing Council of the Salvation Army, Canada West. As I say, I do not know the reason for the distinction but it must have appealed to the Canadian Parliament in former days, for the first of these organizations, which I shall refer to in brief as Canada East, was incorporated by act of Parliament in 1909, while the second, Canada West, was also incorporated by act of Parliament in 1916.

The Canada East organization carries on the business of the Salvation Army in all provinces from Ontario east, while the Canada West organization carries on the business in the provinces from Manitoba to the west coast. Both these organizations are joining in a request for the passage of a bill which I am now attempting to explain.

There are three purposes in the bill. The first relates solely to Canada East, and its object is to include in the territory of Canada East, for the first time, the province of Newfoundland. I should perhaps say for the benefit of honourable senators from Newfoundland that the Salvation Army occupies an important position in that province. I am instructed that at the moment it has in contemplation capital expenditures there amounting to approximately $10 million, including $6 million for a general hospital at St. John's. It is felt that in this connection it will be an advantage to have Newfoundland included in the territory of Canada East.

The other two objects in which both of these organizations join, but in respect of which each is seeking an amendment to its own particular act, are these. Both, by their present acts, are severely restricted in their investment powers to mortgages and bonds, and that sort of thing, and like so many semi-public corporations, church bodies, and so on, they are seeking an extension of those powers to enable them to invest in a wider class of securities, including certain common stocks. Therefore, they are asking to be allowed to invest their funds in such securities as they deem advisable.

The third purpose of the bill is rather a peculiar one. It has to do with annuities which these corporations enter into with individuals. Apparently, they have a practice under which if an individual will give the corporation a definite sum of capital and the corporation undertakes to pay him the interest on that capital during his lifetime, the capital then belongs to the corporation upon his death. For example, a man may give the corporation of Canada East $10,000 on condition that it pays him $500 a year until his death, and thereupon the capital belongs to the corporation. Now, that is, in a sense, dealing in annuities, and annuities are, in a sense again, an attribute of insurance. Both corporations by their present acts are forbidden to enter into the business of insurance, and they want to make it quite clear that the dealings they engage in in connection with these annuities are not in contravention of a prohibition to engage in the business of insurance. So they wish to have it made clear in this bill that in both cases they may engage in this business—if you like to call it an annuity business—in which they have already engaged. They wish further to be protected against any illegality, by already having done this, when there might be a possibility that it was not strictly within their corporate powers.

I think everybody is very sympathetic to the objects of the Salvation Army. The bill seems to me to be quite innocuous, and if it should receive second reading I shall move that it be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Mr. Brunt: Will the honourable senator permit a question? Does the bill contain a retroactive clause to cover any of those transactions which might be considered to be invalid?

Hon. Mr. Hugessen: If my honourable friend looks at section 6, he will see that it would have a retroactive effect. That section reads:

> There shall not be and shall be deemed not to have been in the past any limitation of the powers of the Governing Council of The Salvation Army, Canada East, or The Governing Council of The Salvation Army, Canada West....to receive and accept for its own use....any monies or other personal properties subject to and in consideration of the payment of interest thereon or of an annuity in respect thereof.

That would have a retroactive effect.

Hon. Mr. Brunt: I think it should be there for their protection.

Hon. Mr. Hugessen: I think so. They have been doing this in good faith. I think it is doubtful that they are presently contravening any prohibition to engage in the business of insurance, but now that the legislation is before Parliament, it is wise to make it clear that they are not—and I am confident that they are not.

Hon. Mr. Burchill: May I ask the sponsor of the bill if there are any restrictions at all on the investment of these moneys? I mean to say, the corporation seeks an extension of its powers to enable it to invest, for instance, in certain common stocks; but can it invest the whole amount in common stocks if it so desires?

Hon. Mr. Brunt: Or else in mortgages.

Hon. Mr. Hugessen: Yes, that is so.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

REFERRED TO COMMITTEE

Hon. Mr. Hugessen: Honourable senators, I move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

Hon. Arthur W. Roebuck: Honourable senators, may I say first that it seems to me that the Superintendent of Insurance should be notified to be present when this bill is discussed in committee. The idea of making a retroactive enactment of this kind is most unusual, and before I would ever consent to the passing of such a clause as this I would require time to think very carefully as to what its implications might be. May I suggest, therefore, before the motion is passed upon, that it be specified that the Superintendent of Insurance be asked to be present when the bill is considered in committee, and that he be given a copy of the bill for study prior to his appearance.

Hon. Mr. Hugessen: I am obliged to my honourable friend for his suggestion, which I think is a most valuable one.

Hon. Salter A. Hayden: Honourable senators, with greatest good will towards this organization, I am, like the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), a little concerned. We are in effect being asked to validate a course of action or conduct, proceeding or business, in relation to the investment of funds over a long period of time. I would be opposed to giving what would be a blanket validation of what has been done. I would first like to know something about it. I suggest that possibly the easiest and most complete way of doing so, if the Superintendent of Insurance is going to come into the picture, would be for

him to make some study of the course of the proceedings in the investment of money, so that we may know that we are not going too far afield in what we are validating by this proposed section of the bill.

Hon. Mr. Croll: May I point out that if we do what this bill asks, we shall merely be doing what we did last week with another bill.

Hon. Mr. Brunt: Quite correct.

Hon. Mr. Croll: I do not know the length of time over which validation was asked in that bill.

Hon. Mr. Brunt: About nine months.

Hon. Mr. Croll: When we passed the other bill we authorized certain restrictive provisions.

Hon. Mr. Macdonald (Brantford): Probably the honourable gentleman remembers the low rate of interest charged in that bill.

Hon. Mr. Croll: I do not think that is a proper description of the bill, but in the circumstances we felt it was advisable. We are not setting any precedent if we do what the sponsor of this bill requests.

Hon. Mr. Brunt: Surely the Salvation Army is entitled to as good treatment as any other organization.

Hon. Mr. Roebuck: Honourable senators, I made my suggestion to my honourable friend from Inkerman (Hon. Mr. Hugessen) with the utmost good will towards this organization.

Hon. Mr. Hugessen: I think it is perfectly clear, honourable senators, that when we give second reading to a private bill it does not necessarily mean we are accepting it in principle; our immediate purpose in giving it second reading is to enable it to be referred to a standing committee for consideration and study. It is quite unlike a public bill. I am grateful to honourable senators who have made suggestions and offered criticism, because it will enable the sponsors to realize what they will have to face when they appear before the standing committee. I have not seen the sponsors of the bill, for I have had to take over the handling of it on short notice.

I only repeat that I am grateful that honourable senators have voiced criticisms, and I think the sponsors will be prepared to meet and answer those criticisms when the bill is in committee.

Motion agreed to.

VISITOR TO SENATE GALLERY

WELCOME TO UNITED STATES SENATOR HUBERT H. HUMPHREY

On the motion to adjourn:

The Hon. the Speaker: Honourable senators, before we adjourn may I call to your attention that we have a distinguished visitor in the gallery in the person of Senator Hubert H. Humphrey, from Minnesota. He might have been President of the United States, and he still has a chance, for he is young and very eloquent.

We are glad to greet you, Senator Humphrey.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

See p. 293

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Sixth Session—Ottawa and Montreal

February 28-March 4, 1962

United States Delegation

Names (in order of precedence)	Political Affiliation	State
Senate		
Hon. George D. Aiken (Chairman)	R	Vermont
Hon. Roman L. Hruska	R	Nebraska
Hon. Pat McNamara	D	Michigan
Hon. Mrs. Maurine B. Neuberger	D	Oregon
Hon. Claiborne Pell	D	Rhode Island
House of Representatives		
Hon. Cornelius E. Gallagher (Chairman)	D	New Jersey
Hon. Laurence Curtis	R	Massachusetts
Hon. William S. Broomfield	R	Michigan
Hon. William T. Murphy	D	Illinois
Hon. Robert N. Giaimo	D	Connecticut
Hon. John M. Slack, Jr.	D	West Virginia
Hon. Harold T. Johnson	D	California
Hon. Daniel K. Inouye	D	Hawaii
Hon. Stanley R. Tupper	R	Maine
Hon. Howard W. Robison	R	New York
Hon. James Harvey	R	Michigan

Secretariat

Senate

Mr. Newhouse
Miss Milrae Jensen
Miss Lola Pierotti
Col. Ralph Vandevort
Sgt. W. Ely

House of Representatives

Mr. Al Westphal
Mrs. Louise O'Brien
Mr. Fred Jellison
Lt. Col. William Lynch
Sgt. Lambert de Shetler

Canadian Delegation

Names (in order of precedence)	Political Affiliation	Prov.
Senators		
Hon. Mark Drouin (Chairman)	P.C.	Quebec
Hon. Arthur Beaubien	L.	Manitoba
Hon. Sydney Smith	L.	British Columbia
Hon. T. D. Leonard	L.	Quebec
Hon. W. R. Brunt	P.C.	Ontario
Hon. L. P. Beaubien	P.C.	Quebec

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Names (in order of precedence)	Political Affiliation	Prov.
Members of Parliament		
Hon. Roland Michener (Chairman)	P.C.	Ontario
Mr. Paul Martineau	P.C.	Quebec
Mr. Egan Chambers	P.C.	Quebec
Mr. George McIlraith	L.	Ontario
Mr. John B. Hamilton	P.C.	Ontario
Mr. Frank Howard	C.C.F.	British Columbia
Mr. Cyril Kennedy	P.C.	Nova Scotia
Mr. Frank McGee	P.C.	Ontario
Mr. Hubert Badanai	L.	Ontario
Mr. W. L. M. Creaghan	P.C.	New Brunswick
Mr. John Drysdale	P.C.	British Columbia
Mr. Yvon Dupuis	L.	Quebec
M. Maurice Johnson	P.C.	Quebec
Mr. Terry Nugent	P.C.	Alberta
M. Rémi Paul	P.C.	Quebec
M. Gabriel Roberge	L.	Quebec
M. Georges Valade	P.C.	Quebec
M. Gaston Clermont	L.	Quebec

Secretariat

Mr. J. M. Cook
Mr. F. M. Tovell
Mr. M. L. Card
Mr. M. Dupuy
Mr. J. R. Sharpe
Mr. J. D. Turner

Service Liaison Officers

Captain Eric Steward (Army) Ottawa
S/L G. A. McInness (R.C.A.F.) Montreal

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

SIXTH MEETING

JOINT PRESS STATEMENT

The Canada-United States Interparliamentary Group concluded two days of discussion in Ottawa today. Twenty-three members of the Parliament of Canada and sixteen members of the Congress of the United States, representing all political parties, participated in the discussions. The Canadian delegation was led by the Speakers of the Senate and House of Commons, the Honourable Mark Drouin and the Honourable Roland Michener. The co-chairmen of the United States delegation were the Honourable George Aiken, Senator from Vermont, and the Honourable Cornelius Gallagher, Member of the House of Representatives for New Jersey, assisted by the Honourable Laurence Curtis, Member of the House for Massachusetts.

This was the sixth meeting of the group which held its first and organizational meeting in Washington in January 1959. Since that time, meetings have been held alternately in Canada and the United States. The fifth session was held in Washington in June 1961.

The United States delegates were welcomed at the opening plenary session on Thursday, March 1 by the Prime Minister of Canada, the Right Honourable John G. Diefenbaker.

Committee meetings were held on both days. One Committee discussed defence and foreign policy matters of mutual interest and the other discussed economic and boundary matters of concern to both countries. The agreed summary reports of the two committees which were approved at the final plenary session today are attached.

Members of both delegations and their wives are scheduled to leave Ottawa on Saturday morning for Montreal where they will visit the RCAF Air Defence Command Headquarters and attend a reception given in their honour by His Worship the Mayor and Mrs. Drapeau. While in Montreal the co-chairmen will visit the City Hall to sign the Golden Book. In the evening the members and their wives will attend a national league hockey game. Both delegations will return to their respective capitals on Sunday.

REPORT OF COMMITTEE ON DEFENCE AND FOREIGN POLICY

Berlin and European Security

The Committee opened its discussion with a consideration of the status of Berlin and the problem of European security. The discussion reflected no differences of opinion as to the Canadian and the United States approach to the Berlin situation and the basic position from which any negotiations with the Soviet Union should proceed. Major attention, therefore, centered around how the present difficulties arising over Berlin should be approached to reduce tensions with the Soviet Union.

The rights accorded the West under the quadripartite arrangements must be maintained. Any search for an accommodation with the Soviet Union must take into account three points upon which the West must stand firm—(1) the rights of the people of West Berlin; (2) the rights of the occupying powers to be in the city; and (3) the right of the Western powers to have access to the city. Any negotiations with the Soviet Union must seek to clarify the latter point so that there will be firm guarantees given the West to have access to the city not only by means of the present four air corridors but also of specific land, rail and water corridors.

The Berlin problem is symptomatic of the many large issues that must be carefully and thoroughly explored, first among the Western powers and then with the Soviet Union at the diplomatic level before the convocation of a summit conference.

China Policy

The committee noted that since the group's last meeting the question of the admission of a communist Chinese delegation to the United Nations had been considered and had been rejected but that the matter would again confront the next meeting of the General Assembly. While neither Canada nor the United States has recognized the Peoples' Republic of China it was reported that there is a body of opinion in Canada which favours Canada granting recognition. There was no disagreement on the need to maintain the integrity of Taiwan but there was some difference of opinion as to the validity of a "two China" policy. The United States members stressed that Taiwan is important to the security of the United States and that the United States administration must always consider the effect of United States recognition on its allies in Southeast Asia, and for these and other reasons the United States opposes such recognition.

There was an extensive discussion of the question of trade with communist China. While there was complete agreement that there should be no trade in strategic goods, the two delegations were not unanimous in their views as to trade in non-strategic commodities. The Canadian members were generally of the opinion that by such trade it was possible to keep open certain avenues of contact and further questioned the effectiveness of a trade blockade in weakening the position of the Peking regime. The United States members were of the view that trade with Communist China in any form serves to bolster the regime and facilitates its expansionist policies. The United States members, therefore, hoped that the free world would be able to co-operate with the United States to the end that nothing be done which would strengthen or hasten the development of Communist Chinese military capacities.

Defence Production Sharing

The committee noted the mutual military responsibilities of both countries for the common defence of North America and the endeavours under the Canada-United States defence production sharing program to achieve integration of their defence industries' development and production capabilities. The continuing Canadian reliance on United States industry for a substantial part of major items of Canadian defence requirements is economically more acceptable in view of the improving trend of United States defence procurement in Canada.

It was recognized that it would probably never be feasible for the United States to obtain from Canada as large a proportion of United States defense equipment needs as the proportion of Canadian requirements which is purchased from United States industry. The increased participation of Canadian industry in United States defence requirements is achieving an improved pattern of cross-border defence procurement and desirable standardization of equipment. However, this increased activity is revealing difficulties preventing Canadian industry from contributing fully and it was agreed that efforts must continue to insure that defence industries in both countries have equal opportunity to participate in Western defence requirements.

The achievements of the defence production sharing program were commended as an outstanding example of the close co-operation which exists between the two countries and which should continue to receive the active support of both governments. It is important that public opinion in both countries recognize that this program is aimed at more efficient utilization of the industrial capacity in both countries to the benefit of mutual defence and economic interests.

Disarmament

The committee, noting that renewed disarmament negotiations are to begin in Geneva on March 14, expressed the hope that these would result in some progress. It also considered that there were some grounds for restrained optimism in this regard. The committee agreed that initially a good basis for the conference's work exists in the agreed statement of principles and that the participation of foreign ministers would be appropriate to lend additional guidance to the opening phase of the negotiations.

The question of United States resumption of nuclear testing was also discussed. The United States members pointed out any resumption would be undertaken reluctantly and in full awareness of the impact that this would have on public opinion even though devices tested would be held to the minimum in point of number and size. On the other hand, the progress which the Soviet Union has made in the field of nuclear armaments as evidenced by their series of tests last fall might leave the United States no alternative but to resume testing.

Canada and the O.A.S.

The Canadian delegation expressed its appreciation for President Kennedy's pledge of support to Canada should it desire to become a member of the Organization of the American States (OAS). The Canadian members explained the various considerations that have made Canada reluctant to assume the obligations of membership at this time.

It was noted by both the Canadian and United States delegates that Canada has displayed an increased interest in Latin American matters. This has been evidenced by the creation of a Latin American Division in the Department of External Affairs, the establishment of diplomatic relations with all the Latin American nations, Canadian membership in the United Nations' Economic Commission on Latin America, and the assignment of observers at important meetings of the OAS.

There was support for Canadian presence at meetings of the OAS and other inter-American organizations. It was also suggested that consideration be given to the appointment of a permanent Canadian observer at the OAS.

Cuba

The committee agreed that a communist Cuba is a serious menace in the Western hemisphere which requires careful control and counteraction. It was noted that, as a result of recent policy review, the United States had now terminated all imports from and exports to Cuba with the exception of certain medical supplies. The United States members believed that a similar review and common policy of economic sanctions against Cuba by Canada and all western countries would serve to counter the communist threat. The Canadian delegation recalled that Canada has long since terminated any exports to Cuba of arms, and is rigidly controlling other exports to Cuba and is preventing any re-export of United States goods through Canada. This is a similar policy to that which was recently approved by OAS at Punta del Este.

The committee agreed that the policies of both Canada and the United States must be developed in the light of each country's long-range plans to counter the communist threat.

United Nations Bond Issue

The committee was unanimous in its support of the United Nations at this difficult juncture in its history. In this connection the committee discussed the method and extent of meeting the United Nations' financial obligations arising principally from its efforts to establish peace and security in the Congo. The committee discussed and explored the United Nations' proposal to help meet these obligations through the sale of bonds. The failure of many members to meet their assessments has created a financial crisis.

The committee was of the opinion that the United Nations fiscal machinery should be made more efficient and more stringent control should be exercised over financial matters.

REPORT OF THE ECONOMIC COMMITTEE

Relations with the Common Market

The committee discussed the broad implications and the effects on Canada and the United States of European developments with particular reference to the United Kingdom's application for membership in the Common Market. The committee recognized that both Canada and the United States face special problems of trade arising from European regional arrangements. At the request of the Canadian delegation the United States delegation outlined the purpose and scope of new trade legislation now before the United States Congress. The Canadian delegation expressed support for expansion of multilateral world trade by such measures as may be agreed upon and Canada's willingness to take a constructive part in this expansion.

Both delegations expressed the view that the commercial and agricultural policies of the Common Market following negotiation for their application to Canada and the United States should result in a fair and adequate access for the industrial materials, agricultural products and manufactured goods of both countries.

The committee noted the contribution made by the Commonwealth and the U.S.A. to world peace and stability.

The Canadian delegation emphasized the significance of traditional commonwealth trade links, including especially free entry into the United Kingdom market and the exchange of preferences. The committee clearly recognized throughout the discussions that it was for the United Kingdom alone to make a decision whether to join the European Common Market.

It was agreed that Canada and the United States have many common points of view and of interest and that, consequently, in any negotiations and measures undertaken or contemplated by either, this community of interest should be borne in mind.

Columbia River

The Canadian delegation outlined the present situation in Canada with regard to the treaty and pointed out that delay of Canadian ratification was related to differences between the federal Government and the Government of British Columbia. The Canadian delegation noted that it still remains the policy of the Canadian Government to ratify the treaty as soon as possible.

The United States delegation observed that the United States had ratified the treaty and expressed the hope for early ratification by Canada. The United States delegation made reference to the urgent needs of the Pacific northwest for power which would require early decisions to be taken on alternative sources of power.

The Richelieu Champlain Waterway

The committee took up the question of the Richelieu River-Lake Champlain Waterway. Such a waterway would cover a route of about 400 miles. It would reduce the water distance between Montreal and New York City by 1,200 miles, and between New York City and Great Lakes ports by a comparable distance.

The United States delegation outlined the history of this proposal, observing that this has been a water route since the earliest days of North America. The United States delegation also noted significant increases in cargo in past years on Lake Champlain, and pointed out that development of the waterway would provide considerably greater access to the St. Lawrence Seaway.

It was noted that both governments have proposed a joint submission of the question to the International Joint Commission.

The committee welcomed the report that this matter will be referred to the International Joint Commission and expressed the view that the International Joint Commission should begin a study and submit its recommendations as quickly as possible.

Lumber Trade

The United States delegation noted that recent United States housing legislation has had the effect of increasing the market for lumber in the United States and resulted in the increasing importation of Canadian lumber. As a result the domestic market for United States lumber has been affected. United States shipping legislation (the Jones Act) also has had the effect of raising the cost of shipping United States lumber from the Pacific northwest to the eastern seaboard.

There was a frank discussion of the problem outlined by the United States delegation and of the measures which might be taken to alleviate them.

It was apparent that the Canadian lumber industry was not free from problems of competition as well.

Point Roberts

The Canadian delegation outlined the situation that exists at Point Roberts, Whatcom County, Washington, a peninsula crossed by the International Boundary (the 49th Parallel) isolating the point from the State of Washington. The region is accessible only through Canadian territory or by the sea and both countries maintain border crossing points. The area comprises some 5 or 6 square miles and has a permanent population of some 200 people. Point Roberts is a popular residence for Canadians but difficulties are experienced because of the United States immigration regulations.

United States residents of Whatcom County recently urged the relaxation of United States immigration regulations so as to allow of easier entry by Canadian citizens, particularly those seeking to make the area their permanent residence, by obviating the necessity of their becoming United States citizens.

The United States delegation pointed out that the highway between Haines and Whitehorse passes through a section of the Yukon Territory making it necessary for people using the road to pass through two separate customs and immigration points.

The committee expressed sympathy for any arrangements which would provide for a satisfactory solution of such problems on the border.

Canada-United States Bilateral Air Agreement

The Canadian delegation drew the committee's attention to delays experienced in continuing discussions with the United States on Canadian-United States air transport relations and pointed out that as a result the Canadian authorities were unable to proceed with current studies of regional air traffic requirements in Canada.

The committee agreed that it would welcome an early resumption of negotiations on the Bilateral Air Agreement.

THE SENATE

Wednesday, March 14, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATOR HARDY

TRIBUTES

Hon. Walter M. Aseltine: Honourable senators, yesterday quite a number of members of this chamber spoke with profound and heartfelt sincerity of the late Senator Cairine Wilson. Today we are met in sorrow to pay tribute to the memory of another distinguished senator, now deceased. I am sure we were all distressed and shocked to hear over the radio early this morning of the death of Senator Arthur Hardy of Brockville. I knew Senator Hardy quite intimately for over twenty-five years, and regret that he is no longer to be with us.

It would appear that Father Time, as usual, is rapidly reforming the Senate—if that is the proper term to use in these circumstances. There are now ten vacancies in the Senate, which no doubt will be filled in due course, thus bringing in ten fresh viewpoints. It hardly seems possible that Senator Horner and I are now No. 2 and No. 3 respectively in the Senate seniority list, followed by Senator Farris and Senator Hugessen, who are No. 4 and No. 5, respectively.

Senator Hardy was a very dear friend of mine from the first day I entered the Senate chamber. As a young senator, I received much valuable advice from him. Both of us being lawyers and agriculturalists, we had much in common. We had many talks on agriculture, particularly the breeding of thoroughbred cattle, about which he was a great expert.

Senator Hardy was Speaker of the Senate in 1930 and was made a Privy Councillor the same year. He held many important political positions, notably that of president of the Ontario Liberal Association from 1919 to 1932. He also had extensive business connections and belonged to a number of social organizations, too numerous to mention. He lived a full, and I am sure all senators will agree, a very happy and useful life.

We have lost another fine Canadian gentleman, and to his surviving children and other relatives we extend our most sincere sympathy.

Hon. W. Ross Macdonald: Honourable senators, as the Leader of the Government has said, last night at about the time we were paying tribute to the memory of our deceased colleague Senator Wilson, there passed away at Brockville another highly respected member, Senator Arthur C. Hardy, whose death we mourn today.

Senator Hardy lived a long, interesting and useful life. He lived to see his father become Premier of the province of Ontario, while he himself steeped in Liberal doctrine and faithful to the cause, went on to contest a more or less hopeless election in 1917 in the county of Leeds against Sir Thomas White, the then Minister of Finance. Our late colleague was unsuccessful but not dismayed. He assumed the presidency of the Ontario Liberal association, and during the victorious campaign of 1921 he was one of the late Mackenzie King's staunchest supporters.

I shall not repeat what the Leader of the Government has so eloquently and fully told of Senator Hardy's life-work and accomplishments in the Senate, except to say that he was the dean of the Senate and at the time of his passing was its second-ranking Privy Councillor.

Senator Hardy was born in my home city of Brantford, and although he left there over sixty years ago he is always remembered with esteem and affection by those who were personally associated with him and those of us who grew up in an era when the name "Hardy" was highly revered in that city and surrounding district. On the other hand, he had not forgotten his home city, and he followed our activities and growth there with much satisfaction.

Recently, the town of Brockville selected him as the citizen of the year, and in Brantford we rejoiced in this honour which had come to one of our native sons.

Senator Hardy's father in the Legislature of Ontario represented the constituency of Brant, and I have always considered it a privilege to have followed in his footsteps and to have represented in the federal Parliament practically the same constituency.

Senator Hardy's kindness to me during my early uphill election contests has never been forgotten by me; and my success in the early years of my political career I have always attributed in no small measure to his help and his never-failing encouragement.

I saw Senator Hardy about a month ago at his home, and I can assure you that his interest in the work of the Senate continued to be just as intense as it was when he was daily in his place in this chamber. He followed the debates in the House of Commons and he read every word in the Senate *Hansard*; he was just as familiar with everything which took place in the Senate as those of us who were daily in attendance.

Although at that time he was in his ninetieth year, his mind was as keen and his movements were as active as those of a much younger man.

Senator Hardy was indeed remarkable. I join with the Leader of the Government (Hon. Mr. Aseltine) in extending deep sympathy to his son and daughter and to all those who were near and dear to him.

Hon. A. B. Baird: Honourable senators, it is not without deep emotion that I rise today to pay homage to a very dear friend, Senator Hardy.

Since I became a member of the Senate in 1949, nearly thirteen years ago, I shared the same room with him in this building, and the cordiality of his welcome could never be forgotten. He was a delightful personality, and he had a highly cultivated mind.

As previously mentioned, he was Speaker in this chamber in 1930. Only in the past few years did he take a less active part in the debates. He was extremely loyal to the Senate, and in spite of his failing health he never missed reading *Hansard*.

In Senator Hardy's passing we lose a colleague beloved by all. He will long remain in our memories. I join with other honourable senators in extending heartfelt and sincere sympathy to his family.

Hon. Arthur W. Roebuck: Honourable senators, I find it impossible to add anything material to what has been said in the eloquent addresses of the honourable Leader of the Government (Hon. Mr. Aseltine), the honourable Leader of the Opposition (Hon. Mr. Macdonald) and of my honourable friend who has just preceded me (Hon. Mr. Baird).

I knew Senator Hardy for at least forty years. I met him first in a political way, when he was President of the Ontario Liberal Association, long before the election of 1921, and since that time I knew him rather closely. I look back with some satisfaction on the fact that in 1934 when I became Attorney General of the province of Ontario one of my first recommendations was the appointment of Senator Hardy to the office of King's Counsel.

I knew Senator Hardy intimately during the years that followed. It was only a few weeks ago that I received a letter from him in which he expressed his regret that he could not take part in the routine of debates in this chamber. In previous years he was very active in this chamber, but his health became such that he could not physically stand the effort of debate, but, as has already been said, no one was more familiar than he with what was going on in this body. He not only knew what was taking place in Parliament, but he had real thought about it. He was steeped in the principles of freedom and liberalism, and he had a broadminded view of people, of events, and of constitutional law.

He had a fine mind, a high purpose, and he was a lovable gentleman. He often wrote me, and his letters contained reminiscences, advice, and comment upon the passing events. In his last letter he expressed his regret at not being able to join in our routine debates. I replied to the effect that one of his letters was much more valuable than any speech could be. That was the last communication that passed between us.

I regret very much indeed his passing, but I suppose that is in the course of nature. He had a long, useful and happy life, and the only ones with whom we sympathize now are ourselves and the family he leaves behind. To them I tender my deepest sympathy.

Hon. G. Percival Burchill: Honourable senators, I would like to add a word of tribute to the late Senator Hardy. When I came first to the Senate, and for some years, I had the great privilege of sharing a room with him and the late Senator Euler—the room now occupied by Senator Baird—and it was from these two Ontario Liberals that I received my education in federal politics. The friendship that was established during those years has remained, for I always had the deepest admiration for Senator Hardy.

As Senator Baird has said, the late Senator Hardy had a cultivated mind and a wide grasp of political affairs all across Canada. He was a delightful person and I fondly recollect the enjoyable conversations I had with him.

Last summer when I called on him at his home in Brockville he was alone and seemed depressed. He talked about the Senate, in which he took such a lively interest. He said he always followed our debates as reported in Senate *Hansard,* and he advised me as to the course of action I should take in certain issues that were then before this house. Before I left him he said, "I am very lonely. All of my friends have gone. If I wanted to give a dinner party here in Brockville I would have to dig up the cemetery." So, as Senator Roebuck has said, perhaps the only people who need sympathy are ourselves and his family, for in the last few years Senator Hardy has had a rather sad time because of illnesses which overtook him.

My associations with Senator Hardy will always remain a bright spot in my memory, and I believe that Canadian public life has benefited widely from men of his character.

The Hon. the Speaker: I would ask honourable senators to stand at your places for a few moments of silent prayer as a final tribute to our late colleague.

Honourable senators stood in silence.

INTERNAL ECONOMY

REPORT OF CIVIL SERVICE COMMISSION—REFERRED TO COMMITTEE

The Hon. the Speaker informed the Senate that he had received a report from the Civil Service Commission.

Report read by the Clerk Assistant:

CIVIL SERVICE COMMISSION
CANADA

March 5, 1962

To the Honourable the Members of the Senate:

The Civil Service Commission has the honour to submit the following report.

Hon. Mr. Hugessen: Dispense.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Walter M. Aseltine: Honourable senators, I move, with leave of the Senate, that the report from the Civil Service Commission be referred to the Standing Committee on Internal Economy and Contingent Accounts for consideration and report.

Motion agreed to.

For text of report see appendix, p. 323.

[*Later:*]

Hon. W. Ross Macdonald: Honourable senators, I rise to commend the Government, which seems to be becoming a habit with me. Less than ten minutes ago we referred to the Internal Economy Committee the report of the Civil Service Commission in connection with a cataloguing librarian, and within this short interval of time I have received a mimeographed notice of the calling of the meeting setting out in detail the matters to be considered.

I merely rise to say that the remarkable speed with which this has been accomplished is indeed a credit to my honourable friend, the Leader of the Government (Hon. Mr. Aseltine).

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-49, to amend the Small Businesses Loans Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-49, to amend the Small Businesses Loans Act, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Emerson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

BROCK ACCEPTANCE LIMITED—GERAND ACCEPTANCE COMPANY—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-9, to incorporate Brock Acceptance Limited, and Bill S-10, to incorporate Gerand Acceptance Company:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bills.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

BROCK ACCEPTANCE LIMITED—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-9, to incorporate Brock Acceptance Limited, and had directed that the bill be reported with the following amendment:

> Page 1: Strike out the title and substitute therefor "An Act to Incorporate Brock Acceptance Company."

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the change proposed in this bill is a simple one, merely that of substituting the word "Company" for the word "Limited" in the name of the proposed company. The reason for doing so is that there is in existence a provincial company whose name ends with the word "Limited". Ultimately when this company is incorporated by this special act, the agreement between the limited provincial company and this company will provide for the transfer of assets from one company to the other and, we are told, the surrender of the charter of that earlier company.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

GERAND ACCEPTANCE COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-10, to incorporate Gerand Acceptance Company, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 151 to 165, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

INQUIRY AS TO PROPOSED HANDLING OF DIVORCE PETITIONS

Hon. Jean-François Pouliot: Honourable senators, I am going to ask a question of the honourable the Leader of the Government (Hon. Mr. Aseltine), which could be answered easily tomorrow. It is about what is cooking in the kettle in the other place as to divorce bills. On March 2 last this news item from the Canadian Press was published in French or English in most newspapers in Canada:

> ALL-PARTY MOVE
> HOUSE MAY WASH HANDS OF DIVORCE
>
> By The Canadian Press
>
> New negotiations are under way bebetween the three parties in the Commons to alter the procedure under which Parliament grants divorces to residents of Quebec and Newfoundland.
>
> The Commons was given an indication of the action Thursday when Robert McCleave (PC-Halifax), chairman of the Commons private bills committee, won approval for a proposal to delay Commons study of 36 divorce bills.
>
> BILLS DELAYED
>
> Mr. McCleave, whose committee examines the bills and evidence taken by the Senate divorce committee, requested that the bills be delayed a week, when, he said, "I expect to be in a position to make a statement."

That, honourable senators, appears at page 1390 of the Commons *Hansard* of March 1. I continue:

> Informants said negotiations are going on aimed at getting unanimous agreement among the parties for the Senate to hold exclusive jurisdiction over divorce bills.
>
> This would remove divorce bills from the Commons where they have run into blocking tactics in the past by members seeking to rid Parliament of divorce measures.
>
> PROPOSED CONDITIONS
>
> An informant indicated that Arnold Peters (CCF-Timiskaming) and Frank Howard (CCF-Skeena), frequent critics of divorce procedure at past sessions, have proposed a number of conditions before they would give unanimous consent to the Senate holding exclusive jurisdiction over divorce bills.
>
> The conditions are said to include one that the delegation of power to the Senate would be periodically reviewed by the Commons and another that a Parliamentary proctor be appointed to conduct the investigations to gather evidence on which to base divorce action.

Now, I want to refer particularly to what happened yesterday, March 13, as reported at page 1758 of the *Hansard* of the other place.

The Hon. the Speaker: I do not feel that I can allow the question. A question may not be put to this house about what has happened or

is going to happen in the other place. We cannot discuss here debates which have taken place in the other place or quote from them.

I was waiting to hear if any objection might come from my right. I have heard no objection, but *ex officio,* as Speaker of this house, I feel I must rule the honourable gentleman out of order.

Hon. Mr. Pouliot: Mr. Speaker, I may appeal from Rome informed, to Rome better informed.

The Hon. the Speaker: No. The question is ruled out of order.

OTTAWA STREETS

SNOW REMOVAL

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, I would like to draw attention to a matter that I think is of some importance to the good name of honourable senators and the members of the other house. A dispatch in the Ottawa *Citizen* of a few days ago referred critically to statements made by various members of the other place and our Leader in this chamber. I certainly do not think the remarks, being complaints as to the condition of Ottawa streets and the clearing of snow, were justified.

Anyone who has had any experience in local and municipal government must have some idea of the difficult problem that faces a city in this climate, with heavy snowfalls during the course of the winter.

Hon. Mr. Aseltine: Did you say I made some such statement?

Hon. Mr. Horner: Yes. You are quoted in the newspaper as saying that there were snow dumps all over the city, resembling garbage dumps.

Hon. Mr. Aseltine: I never made any such statement.

Hon. Mr. Horner: Well, the *Citizen* quotes you as having said so. I just could not believe that you were quoted correctly.

Hon. Mr. Aseltine: It is incorrect.

Hon. Mr. Horner: I am glad to know that, because I was somewhat concerned about it.

In the other place there has been much sniping and complaining about the potholes in the Ottawa streets, and exaggerations as to their size. Anyone familiar with subsoil conditions knows that this beautiful city of Ottawa is built on the finest soil in Canada, and that the frost affects the subsoil. As long as that condition exists these spring repairs are going to have to be made—unless, of course, we build streets the way the Romans did, with slave labour.

So far as I am concerned I have not yet lost that boyish delight of walking in the snow, and I may say that I like walking in water. The only desire that I have perhaps lost is that of going into water deep enough to go over the top of my rubbers.

I have known something of the municipal government of the city of Ottawa for a period of fifty-five years, and I believe that the people of this city have had splendid administration of their affairs. We, the members of Parliament, are here as guests, and I may say that I have always found this to be a most friendly city. I live on Hinton Avenue, three miles from the centre of town, and there the streets are plowed. I thought the city was going to considerable expense to do so, because I was the only one walking. The plow was drawn by a big ton horse that could easily push the snow off the sidewalk. Judging by the way that job was done, my advice to the city council is to get back to using about twenty or so of these big horses to pull sidewalk scrapers where there is no room for a tractor scraper. I have watched tractors at work, and where there is any upgrade at all, when the snow is wet, they can scarcely propel themselves.

As for myself, I have no complaints about the way things are handled in Ottawa. I think it is a friendly and wonderful city, and I deplore any member in either chamber criticizing the city administration for the little bit of water or snow that collects on the streets. I might say that there are places in the world where there is neither rain nor snow, and people who cannot put up with these minor inconveniences should go there.

Hon. Mr. Reid: I do hope the mayor of Ottawa hears of this.

PRIVATE BILL

THE CANADIAN INDEMNITY COMPANY AND THE CANADIAN FIRE INSURANCE COMPANY—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-15, respecting The Canadian Indemnity Company and The Canadian Fire Insurance Company.

Bill read first time.

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

Hon. Arthur M. Pearson moved the second reading of Bill C-73, to amend the Farm Improvement Loans Act.

He said: Honourable senators, Bill C-73 provides an amendment to the Farm Improvement Loans Act, which comes up periodically for extension. As honourable senators will remember, the act originated in 1944-45, and every three years since that time it has been renewed for a further period of three years. The present amendments would extend the time from July 1, 1962 to June 30, 1965, and provide that the aggregate principal amount of the guaranteed farm improvement loans shall be $400 million. Honourable senators will remember that in 1959 the Farm Improvement Loans Act guaranteed a sum of $300 million, but, since the indications are that on the average there will be increased numbers of loans and greater amounts borrowed by the farmers, it is felt that the guaranteed amount should be $400 million. Actually, the Government guarantees the banks to the extent of 10 per cent of the loan granted by the bank to the individual farmer. The maximum amount that a farmer could borrow was increased in 1959 to $7,500, and it is now felt that that amount will be ample for these intermediate term loans.

As you will note by referring to clause 2 of the bill, the total amount of loans shall be $400 million, which means the aggregate amount of principal which all banks in Canada can lend. This $400 million is the limit. Paragraph (f) has been added to restrict the time to June 30, 1965 as the last day upon which the Minister of Finance will be responsible for a guaranteed loan.

One reason why this bill comes before the house at this time, and why it is felt necessary to have such measures end every three years, is to permit the Minister of Finance to review the situation, and, if he deems it necessary, to increase the amount of loan for which a farmer may apply. This may be given consideration at that time. Also the amount of the guaranteed money may be taken into consideration, just as we are asked to do today.

The annual report by the department governing the Farm Improvement Loans Act has not been prepared yet, but I have some figures which might be of some interest to honourable senators.

The total loans granted from January 1, 1960 to December 31, 1960 numbered 68,000, and the amount in that one year was $101,855,746. From January 1, 1961 to December 31, 1961 the total number of loans was 70,615, being roughly 2,600 more in that year. The amount of money loaned was $108,147,164. The average size of the loans has increased from $1,497 in 1960, to $1,531 in 1961. The purchase of agricultural implements absorbed most of the loans, being some 50,400 in 1961, for a total of $76.5 million. This is down somewhat from 1960, when there were roughly 53,000 loans made for implements, for an amount of nearly $80 million. More loans, however, were made in 1961 covering farm buildings, livestock and other items, being a total of 20,200 loans, as against 15,200 in 1960. The total for these items, farm buildings, livestock and other loans in 1960 amounted to $22 million, as against $31,600,000 in 1961.

All provinces showed a larger number of loans made, except Saskatchewan, Manitoba and Prince Edward Island. Also the total in dollars shows a similar trend for all provinces, except for Saskatchewan, Manitoba and Prince Edward Island. I would judge that the problem in Saskatchewan and Manitoba—and this is my personal opinion—was the drought of 1961, which caused many farmers to cancel orders for machinery, and the banks became a little wary of advancing money under the difficult conditions the farmers experienced.

There were some requests made to have the amount of $7,500 increased to $10,000 per farmer. From my own point of view, I might say that $7,500 is a reasonable figure, because in most cases a farmer is buying only one additional piece of machinery and generally he has some machinery to trade in. If he is buying a $10,000 combine he usually has an equity of about $3,000 or $3,500 in the machine he is trading in, unless it is very old. So that if he gets a loan of $7,500, plus the $3,000, he can easily buy his $10,000 machine. If he needs $10,000 as a young man just starting up, with no assets in the form of a trade-in, he would be much better advised to apply for a long-term loan under the Farm Credit Corporation with up to 20 or 25 years for repayment, rather than work under this intermediate loan arrangement which would only give him some three to five years.

Honourable senators, if this bill is given second reading today, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Austin C. Taylor: Honourable senators, I rise only to express my satisfaction, in general, in relation to the bill that is now before us. I shall probably repeat some of what has already been said by the sponsor of the bill, the honourable senator from Lumsden, (Hon. Mr. Pearson), but in order to review the whole situation in relation to

the application of the act I should like to furnish a little more detailed information regarding it.

I support the bill in principle; I think it is a good bill. It amends another good piece of Liberal legislation, which was passed in 1944.

Like all other legislation, no bill ever introduced or passed in Parliament is perfect. No matter how satisfactory a piece of legislation may be, amendments are required from time to time. This is one of the good amendments which the Government has seen fit to make and I heartily support it in so far as its general principles are concerned.

It is also well that we should remind ourselves of the ideals and principles back of the thinking when this act was passed originally, some of which I should like to repeat. One ideal was the improvement of Canadian farms by enabling the farmer to equip his farm with modern labour-saving equipment, to procure more and better livestock, and to make a variety of other improvements which would serve to increase productivity on the farm. Secondly, there was the idea of improving living conditions on the farm, through plans which would enable the farmer to provide electrification, refrigeration, heating and water systems, and other improvements to reduce the work, particularly in the case of farm women. Thirdly, it was sought to provide credit on a sound basis, but at the same time under terms and conditions suitable to the individual farmer's resources. It cannot be denied that the principles I have outlined have been carried through to a very marked degree during the period in which this legislation has been operative.

According to the annual report to which the honourable senator from Lumsden (Hon. Mr. Pearson) referred, there was a gradual increase in the number of applications up to 1952 or 1953. In 1952 there were 83,315 loans, making a total of $98,260,000. In 1953 there were 83,962 loans, for a total amount of $98 million. Following this period and up to 1958 there was a gradual decrease in the amount of the loans made. The number of loans has been reasonably constant since that time, at around 70,000 per year, for a total amount loaned in each of the years in the vicinity of $100 million. The total amount of loans made under the legislation from 1945 to 1961, as has been stated, amounted to approximately $1,122,000,000. It is also interesting to note the loss ratio, which is approximately one-tenth of one per cent. This, in my opinion, constitutes a very fine record.

In the period March 1, 1945 to February 28, 1948 the percentage of repayment of loans was 99.99; from March 1, 1948 to February 28, 1951, it was 99.92, from March 1, 1951 to March 31, 1953 it was 99.74; from April 1, 1953 to March 31, 1956 it was 98.91; and from April 1, 1956 to March 31, 1959 it was 85.

I would like to point out that while the repayments of the loans, calculated on a percentage basis, were reduced during that period ending March 31, 1959, some of the loans made during that period are still repayable and will not be repaid completely for some years to come.

As I have stated already, no legislation is perfect in its original form, and the Farm Improvement Loans Act is no exception. To indicate the improvements made in it from time to time, I need only refer to the fact that under the original act the maximum individual loan which could be granted was only $3,000 and the total amount which could be loaned under the legislation at that time was $250 million. Under the Revised Statutes of 1952, no change was made in the maximum loan to the individual but the total amount which could be loaned during the period was reduced from $250 million to $200 million. I presume that this reduction was due to the fact that during the years from 1945—the inception of the act and its coming into operation—until 1952, the average amount loaned per annum was in the vicinity of $38 million.

During the session of 1953 an amendment was passed raising the maximum individual loan from $3,000 to $4,000, and providing for a total amount of $300 million which could be loaned during that three-year period.

In 1956 there was another amendment which increased the maximum loan per individual from $4,000 to $5,000.

In 1959, as all honourable senators will recall, there was a general revision of the act. The maximum amount which could be loaned to any one farmer was increased to $7,500, but the amount which could be loaned under the act remained at $300 million. There was also a revision in the definition section of the act, to provide for the inclusion of beekeeping as a form of farm operations. The definition also included stock and equipment for the keeping of bees.

Another important amendment provided for the inclusion of poultry in the definition of livestock. I think all honourable senators are aware of the fact that the poultry industry today is pretty largely centred in large operations which require a good deal of financing. These were all necessary amendments in regard to present-day farming operations.

The next revision of the act took place last year, 1961. The total amount which could be borrowed by any individual remained at $7,500 but the maximum which could be

loaned during the period provided by the act was increased from $300 million to $400 million.

As the sponsor of the bill (Hon. Mr. Pearson) has already indicated, the term of the act expires at the end of every three years. The principle is a good one, since it gives the Government and Parliament an opportunity to review what has taken place during the previous three-year period, and to introduce suitable amendments wherever they may be necessary in order to carry out the intent of the original act. As I have said, that is exactly what is happening under this present amendment.

Honourable senators, I have two suggestions to make and I make them honestly and sincerely, in the firm belief that they would result in an improvement to the present law.

The honourable senator from Lumsden has stated already that he believes $7,500 as a maximum loan is sufficiently high. It is true that during recent years the average loan has amounted to only $1,500. However, the fact remains that over the years there may be among the thousands of applicants some two or three or more who seek a larger loan. I appreciate the suggestion which has been made, that if an application should exceed $7,500 it could come under the Farm Credit Corporation. However, it seems to me that the purposes of this act, as outlined in the review I have given, should not be confused with the purpose of the Farm Credit Corporation. As I understand it, the Farm Credit Act provides for a larger program of farm development and for the purchase of farms by individuals. The measure now before us is for the individual who owns a farm but who wants to improve his equipment and his machinery.

I think I can point out one or two of the reasons for the large amount of money that the honourable senator mentioned was spent last year. Out of $101 million, almost $80 million was required for the purchase of machinery and equipment, necessitated by an increase in mechanization and a loss of farm help, and also by efforts on the part of farmers to combat the cost-price squeeze.

I would like to suggest that even if there are no applications for a $10,000 loan, or only one application, I would like to see provision for it in the bill. The fact that the authority is there does not necessarily mean that the board will have to grant a loan of $10,000. If such an application is made and the board feels that the applicant is not worthy of it, then it does not have to grant it.

In this respect I know something of what I am talking about because I was charged with the administration of the Farm Settlement Board in my own province for some 17 years. I know that we increased the amount that could be borrowed under that arrangement from $3,000 to $10,000, but there were very few loans made of large amounts. As a matter of fact, I think for the first two or three years there were no such loans granted, but occasionally there was an individual who wanted that amount of credit and we were able to give it to him. It is for that reason that I would like to see such a provision in this bill.

My other suggestion is that the administration of the act, as is the case with respect to the Farm Credit Corporation, should be placed under the jurisdiction of the Minister of Agriculture rather than the Minister of Finance. I think all honourable senators will agree with me that in dealing with farm operations, knowledge of the conditions that farmers are living under and something about their costs, and working with them day in and day out for 365 days a year, puts the Department of Agriculture in a better position to analyse applications and grant loans to farmers who are in need of them.

Therefore, my two suggestions are, first, that the maximum amount of loan be increased from $7,500 to $10,000 and, second, that the administration of the act should be under the Minister of Agriculture.

To further emphasize the need for farm credit, honourable senators, I will mention that only this morning I received a telegram from my own province which indicated that a three-furrow plow with tractor, which ten years ago cost $1,800, now costs $3,000 or almost twice as much. A manure spreader, which ten years ago cost $425, now costs $580. That is one of the reasons why the maximum amount of loans should be increased.

I think we all recognize the fact that farmers today are still caught in a cost-price squeeze. I do not know too much about western agriculture, but I do know that western farmers need more credit now than ever before in their history, especially by reason of the drought conditions there during the past year. The fact that this Parliament has recently voted some $40 million to enable the western grain growers of Canada to carry on a program this year points this up.

I hope that my remarks have served to emphasize some of the conditions existing on the farms of Canada today. It is for these reasons, honourable senators, that I support the bill. I trust that the honourable Leader of the Government in this house (Hon. Mr. Aseltine) will give consideration to the recommendations I have made before the bill goes before the committee. However, I say in closing that whether my recommendations are heeded or

not, I shall support the bill although I would be much happier if my suggestions are accepted by the Government and the appropriate amendments made.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Pearson, bill referred to the Standing Committee on Banking and Commerce.

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—SECOND READING

Hon. John G. Higgins moved the second reading of Bill C-74, to amend the Fisheries Improvement Loans Act.

He said: Honourable senators, the Fisheries Improvement Loans Act, of which this bill is the second amendment, was passed in 1955 to provide loans for fishermen. The operation of the act was to be effective for three years—that is, until December 15, 1958. The act provides for fishermen credit facilities similar to those provided under the Farm Improvement Loans Act.

An amendment that I introduced in this chamber in 1959, in the first place extended the operation of the act for a further period of three and a half years, namely, from December, 1959 to June 30, 1962 and, secondly, it broadened the meaning of "fisherman" in the interpretative section of the act, and thus opened the door to many who were left out under the original act.

The original act defined a fisherman in section 2(f) as:

> —a person who has a prescribed interest in,
>
> (i) a fishing vessel,
>
> (ii) a weir, or similar fish catching or trapping device, that is affixed to the ground, or
>
> (iii) a proprietory share in a fishing vessel or in a weir or fish catching or trapping device described in subparagraph (ii) and whose principal occupation is participation in a primary fishing enterprise.

The definition in the amendment allowed a loan to a person who at one time had an interest in a fishing vessel but who no longer had such an interest, or to a person who desired to acquire an interest in a fishing vessel for the first time. So that a loan could be made to a person who could not qualify under the ownership clause, or to a person working and fishing on a vessel who wanted to branch out on his own, the definition of "fisherman" was amended to read:

> (i) a person who has or intends to acquire a prescribed interest in a fishing vessel or a proprietory share in a fishing vessel, or
>
> (ii) a person who has a prescribed interest in a weir, or similar fish catching or trapping device, that is affixed to the ground, or a proprietory share in such a weir or similar fish catching or trapping device,
>
> and whose principal occupation is participation in a primary fishing enterprise.

The sole purpose of this bill is to extend the operation of the act for a further three-year period to June 30, 1965. The purposes for which loans will be granted are set out in section 3 (1)(a) of the original act, as follows:

(i) the purchase or construction of a fishing vessel,

(ii) the purchase or construction of fishing equipment,

(iii) the major repair or major overhaul of a fishing vessel or its hull, superstructure or engine,

(iv) the purchase or construction of a shore installation,

(v) the purchase, construction, repair or alteration of or making of additions to any building used or to be used in carrying on a primary fishing enterprise, or

(vi) any prescribed development or improvement of a primary fishing enterprise.

Applications for loans may be made to a chartered bank, a credit union, or caisse populaire. These are regarded by the minister as lenders under the act. The amount of a loan to any individual is not to exceed $4,000 and the interest is to be 5 per cent simple interest. The repayment periods are from one to eight years, depending on the amount borrowed and the purpose for which the loan is obtained.

The Government undertakes to reimburse the lending institutions mentioned for losses of up to 15 per cent of loans aggregating $500,000 and a guarantee of 10 per cent in respect to loan funds exceeding $500,000, and the total amount of guaranteed loans made by such institutions has been set at $20 million.

Since the act came into effect in 1955, up to December 1961, a total of 981 loans were made, amounting to $1,237,238, of which

$813,717 has been repaid. During the fiscal year ending March 31, 1961 slightly over $217,000, comprising 142 individual borrowers, was loaned to fishermen. During the succeeding nine-month period up to December 31, 1961 a total of 127 loans, amounting to $187,454, was made.

It must be remembered that the act is not designed to apply only to those provinces bordering on the Atlantic or Pacific—Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland, the Gaspé in Quebec, and British Columbia—but it applies throughout Canada. So it takes in the Great Lakes and inland fishing, although applications from the fresh water fishing interests have been "like angels' visits, few and far between". Since the inception of the act there has been one loan made in Saskatchewan and one in Ontario, one for $1,500 and the other for $700.

During the period from April 1 to December 31, 1960, the number and amounts of loans, by provinces. were as follows:

By Provinces	No. of Loans	Amounts in thousands of dollars
Prince Edward Island	58	61.2
Nova Scotia	7	8.6
British Columbia	16	56.5
New Brunswick	8	8.5
Newfoundland	5	8.0
Quebec	9	8.7
Ontario		
Saskatchewan		
Total	103	151.5

During the period from April 1 to December 31, 1961, the number and amounts of loans, by provinces, were as follows:

By Provinces	No. of Loans	Amounts in thousands of dollars
Prince Edward Island	67	78.1
Nova Scotia	27	30.0
British Columbia	23	65.1
New Brunswick	4	5.9
Newfoundland	2	4.8
Quebec	2	1.4
Ontario	1	.7
Saskatchewan	1	1.5
Total	127	187.5

During the fiscal year ending March 31, 1961, the number and amounts of loans, by provinces, were as follows:

By Provinces	No. of Loans	Amounts in thousands of dollars
Prince Edward Island	71	73.1
Nova Scotia	18	21.7
British Columbia	29	95.8
New Brunswick	10	9.9
Newfoundland	5	8.1
Quebec	9	8.7
Total	142	217.3

Hon. Calvert C. Pratt: Honourable senators, I should like to speak for a few minutes on the Fisheries Improvement Loans Act. I would say that the inadequacy of it and the little use that has been made of it would justify the removal of the word "Improvement" from the title of the act.

It has been officially announced that the credit facilities are similar to those provided for in the Farm Improvement Loans Act. The application, coverage, and amounts involved in the act under discussion have no similarity to the other act. The purpose set forth is to finance investments, including the purchase, construction or improvement of fishing vessels, fishing equipment, and shore installations.

The use to which the fund has been put has not indicated anything of a really progressive nature in that connection. The policy behind the setting up of this legislation, and its application since, has certainly not resulted in anything like a general advancement in the industry. Despite the large number of fishermen on the Atlantic and the Pacific—and I understand this legislation also applies to inland waters—there were only 142 individual loans involving $217,000 made during the fiscal year ending March 31, 1961.

As the sponsor of this bill, the honourable senator from St. John's East (Hon. Mr. Higgins) has just mentioned, since the date of the inception of this act in 1955 there have been 981 loans amounting to $1,237,328. I am not questioning the advisability and the need of the Farm Improvement Loans Act, but it is rather singular that this Fisheries Improvement Loans bill should be introduced at the same time as the other bill which involves current loans to over 70,000 people, and which totalled $108 million last year. In these days of modern industry, it is lacking in practicability as well as in vision to apply an overall limit of $4,000 on what may be loaned for a single project.

Under the Constitution the federal Government is responsible for an over-all policy with regard to fisheries. It is true that provincial governments are extending financial assistance in many forms to the industry, and that

assistance runs into a lot of money. The federal Government, in conjunction with the provincial governments and industry itself, should take more progressive action than has been taken in relation to our fisheries.

As far as the province of Newfoundland is concerned, the application of this act has been practically non-existent. During the period from 1955 to 1961 only ten loans were made within the province, aggregating $11,753. Seeing that the announced purpose of this act is to enable fishermen to acquire vessels and modernize their operations, the fund itself has in effect been non-existent in Newfoundland. I understand also that in the province of Nova Scotia in 1961 there were loans to the amount of only about $21,000.

The fishing industry throughout the world has been undergoing industrial development, keeping pace with scientific and technological development of industry generally. As far as my province in particular is concerned—and I have not an intimate knowledge of the other provinces in this connection—except for the introduction of freezing plants, there has been very little change throughout the years. The value of the fishery products is about $30 million a year, but there are over 15,000 fishermen and more than 20,000 people employed at the fisheries, both on the sea and on the land in this industry in Newfoundland.

During the past year there was a decline of 15 per cent in the quantity of ground fish caught. In part, of course, that was because of fewer fish being available in certain areas, but it was also because the methods of catching were not kept up-to-date. That situation is fully emphasized when we realize the tremendous increase in the fishery production in the Atlantic waters off the east coast of Canada by vessels from so many countries of the world.

Foreign fishing in the northwest Atlantic waters, primarily over the Grand Banks and adjacent fishing areas, has undergone tremendous development. The most recent figures I have seen which apply to 1959 or 1960 deep-sea fishing operations show that Canada had 211 fishing vessels with a total of about 27,000 tons. These are comparatively small boats. Portugal had 72 vessels totalling over 70,000 tons; Germany had 80 vessels with a total of 53,000 tons; and other countries such as Spain, Iceland and France have had large numbers.

Hon. Mr. Burchill: What were the figures for Portugal?

Hon. Mr. Pratt: Seventy-two vessels with a tonnage of 70,000. I have not the figures for all countries. There are some British vessels, but not very many. I would remind you that I am referring only to the vessels operating in the northwest Atlantic waters.

The operations of greatest significance over the whole area originate in Russia. Russia's fishing fleet was 111 vessels, with a total of 126,000 tons, or roughly five times the tonnage of Canadian vessels.

Hon. Mr. Dupuis: May I be allowed to intervene? Do you mean to say that Russia and all these foreign nations are allowed to fish in Newfoundland waters?

Hon. Mr. Pratt: No. I am referring to the waters in the area of the Grand Banks, and the adjacent fishing areas, which, of course, are international waters.

It is understood that during the past year the Russian boats fishing in the North Atlantic waters increased considerably in number as well as in tonnage. The amount of fish caught by foreign boats in waters adjacent to Newfoundland and Nova Scotia exceeds many times the quantity taken in the ocean fishing of the Atlantic provinces. Some of these foreign operations are serviced not only by modern fishing boats entirely beyond anything we have been able to visualize in Canada, but also by factory boats and even hospital and welfare ships attached to the fleets. This shows the importance these countries abroad are placing on the possibilities of the fisheries in waters adjacent to our coast.

We hear a great deal of what is being done in reference to fishery relief measures, which are necessary for people in the industry. What we want is something more constructive than relief measures which, although necessary, do not create industry. It is the creation of modern industry in this field that is very important, in order that people may earn a livelihood.

The fishing industry in the province of Newfoundland, in order to be prosperous, has to be primarily dependent upon large quantities of the lower priced types of fish, such as cod, haddock and other ground fish. The fish of the luxury type, such as lobster, salmon and so forth are not as plentiful in our area. While we have measures of assistance in various forms, we are entirely lacking in a progressive policy. That definitely is a matter of national responsibility. We have not had such a policy tied in with improved fishing facilities, which includes larger and more efficient boats, more modern methods of catching, as well as improved processing and consumer packaging.

Newfoundland has an outstanding advantage in that it is close to the most abundant and concentrated supply of fish such as cod, flounders and so forth in the world, and this is the reason that boats come thousands of miles to fish in our waters. It is deplorable

that there has been so little modern development in the catching and processing of fish caught right at our doorstep.

A great deal of pessimism has often been expressed by persons in authority with regard to the fisheries in Newfoundland. The attitude of good will exhibited by visiting officials seems to be cloaked with a reservation that the fisheries have to remain in a static condition, and one cannot expect great advances in the industry. We hear that in connection with the salt fish trade particularly. Despite the tremendous extension of world trade in that product, it has to be changed in its form and made more acceptable to the changing consumer trade in the markets of the world.

Also we very often hear it said that the fishing industry caters to people of lower incomes living in the West Indies, South America and Europe. That is not altogether correct, even when applied to salted fish. It is true, however, that the product is more acceptable to people in the West Indies, South America and certain European countries than it is to people in the United States and other highly industrialized countries. Although there has been a tremendous expansion in the earning power of our customers in all countries, their taste for this product has not been lost, and they will not lose it if the product is put up in an acceptable manner which, unfortunately, is not being done at the present time.

There is only one way that we can shape up the whole fishing industry and keep it in line with the advancing trends of world commerce, and that is to have a progressive policy set forth which, without denying the need for relief on occasions, calls for constant thought and action in the creation of advancing industry. Too little thought has been given to the building-up processes. With regard to the Fisheries Improvement Loans Act now before us, I say it has had no value whatever in the progress of our industry. The operation of the act is so inconsequential with regard to Newfoundland that, to tell you the truth, the bill itself is hardly worth debating.

Hon. John J. Kinley: Honourable senators, I have listened with pleasure to the speeches made by my two honourable friends from Newfoundland this afternoon. They are qualified, both by experience and by education, to talk about this subject, for they live among fishermen, and in close proximity to the finest fishing banks in the world. We therefore must listen to them with considerable interest because we know that fishing is one of their principal industries.

The Bill C-74, which is now before us, is for the purpose of amending a statute already on our books. I listened with interest to the honourable senator from St. John's East (Hon. Mr. Higgins) who explained the bill, and I must say he gave a splendid explanation. The Fisheries Improvement Loans Act which this bill seeks to amend was originally enacted and assented to on the 11th day of July, 1955. As my honourable friend said, this is a bill to amend an act which was introduced by a former government. Since the inception of the legislation we have only done a little to amend it from time to time, and we must all take the responsibility as well as the credit for it being on the statute books.

The act was amended in 1959 to extend its provisions somewhat, and to make a minor change in the definition as to who could be classed as a "fisherman". I think I should add to what my honourable friend said, that it opened up the way for others to come in. However, I think that that is limited a bit by one phrase in the act, wherein it says that a fisherman is a person whose principal occupation is participation in a primary fishing enterprise. Honourable senators, I think that condition narrows it down quite a bit.

The bill is a simple one, and I think it should receive the unanimous support of the house.

I would like at this time to say a little about the principles of the original legislation and what has happened to it since, for it is of great interest to the fishermen located on the east coast of Canada. I think that the principal provision in the original act is that you can borrow $4,000, at 5 per cent interest. There can be no other charges except for insurance. To whom and what does the act apply? Well, that is something that gives us some thought. The answer is contained in section 3 of the act, chapter 46, of the Statutes of 1955, which reads:

> 3. (1) The Minister shall, subject to the provisions of this Act, pay to a lender the amount of loss sustained by it as a result of a loan to a fisherman pursuant to an application by such fisherman in any case where
> (a) the application stated that the loan was required by the fisherman for any of the following purposes, namely,
> (i) the purchase or construction of a fishing vessel,

You could not get much of a fishing vessel for $4,000.

> (ii) the purchase or construction of fishing equipment,

And there again, not much in the way of fishing equipment can be purchased for $4,000.

(iii) the major repair or major overhaul of a fishing vessel or its hull, superstructure or engine,

(iv) the purchase or construction of a shore installation,

(v) the purchase, construction, repair, or alteration of or making of additions to any building used or to be used in carrying on a primary fishing enterprise, or

(vi) any prescribed development or improvement of a primary fishing enterprise—

Now, it seems to me that those who are informed of the needs of the industry and who are familiar with the costs of equipment and fishing vessels, large and small, cannot see much benefit in the legislation that is tied to a $4,000 loan—a very small amount under present conditions.

Mind you, I think this bill was originally intended for the inshore fisherman, the small boat fisherman, but he is getting bigger and more expensive boats, and in order to succeed he must co-operate with his fellow citizens, either members of his own family or other men; and they must go together, and together they are able to run a larger and safer boat. They must do that if they are to have any hope of succeeding but they are restricted to a $4,000 loan on the vessel.

The fishing industry is a hazardous one to both life and property. A fisherman might today have a lot of boats, nets and equipment, but tonight there might be a storm and tomorrow his property is all gone. For years he was not able to obtain insurance, but I believe it was in 1953 that the Government passed a bill which would insure a fisherman's floating property and gear from $250 to $10,000. That applies to the inshore fisherman. The lobster fishermen are protected with respect to their traps at a low rate. With regard to the inshore fisherman, the charge is 1 per cent of the value for full marine coverage. These are good contracts. This is administered by the Chief Administrator of the fishermen's indemnity plan, and one must apply to the local fishery officer for this insurance. I believe they now have 6,000 boats insured.

The amount of $4,000 as a ceiling on loans seems ridiculously low, when one considers what the act has in view. I believe there are requests being made to the Government that it be raised to $8,000. The authorities have the insurance protection facilities for a coverage of $10,000, and I say that they should increase it to that amount. These facilities have been used only moderately. Not many fishermen in the province of Nova Scotia, and I do not think many in the province of Newfoundland, have used them. The scheme has not been a spectacular success. A fisherman can borrow $4,000 by guaranteed loan through a bank or credit union, and the interest rate is limited to 5 per cent. I know I cannot borrow money at 5 per cent, but maybe the arrangement is not attractive enough to obtain the enthusiastic backing of lending institutions throughout the country.

Another point that occurs to me is that to lend a man who is going into a business of this kind only half of what he needs to do the job is not sufficient. Everybody knows that today if you are going to do a job which you think will cost so much, it usually costs actually twice as much as you originally thought. The fisherman is left adrift and is unable to obtain any more money. That is something that should not happen.

The banks have given special privileges—such as mortgages and bills of sale—and the little fisherman can be required to give a mortgage on his property in order to get the $4,000 loan from the bank. Then you block him in, because his credit is thus impaired. When he goes to a merchant or ship chandler they know that he has borrowed money. Perhaps they do not know, because this may not be registered. However, the fact remains that he has borrowed half of what he must have and he does not know where to go to get the balance. The act does provide for fishing activities, but these surrounding conditions have made it so foreign to the little fisherman of the coast that he has made very little use of its provisions.

I might say that the Fishermen's Loan Board in Nova Scotia is quite active, and I believe they have the limelight now with regard to loans to fishermen because they are making loans of considerable amounts. The fisherman must make a down payment before he can qualify for a loan; and the board takes into account particularly the past success of the skipper and his chances of future success.

It seems to me that something more should be done for the fishermen of Nova Scotia, the other Maritime provinces, and Newfoundland. These lending corporations that the Government creates are not losing money for the Government. The other day, in a Senate committee hearing, we were told by the president of one of the Government corporations that they put millions of dollars into the Government's Treasury last year. The Industrial Development Bank, for instance, makes money. I do not think that this operation now under discussion has lost money, notwithstanding the fact that little business has been done in connection with it. However, these facilities ought to be extended.

I have looked into this matter to some extent, and I have here a booklet issued the other day by the Industrial Development Bank. I do not know whether it has been officially released yet. I talked to a leading official of the Department of Finance, and he said that so far as the fishing industry of the east coast is concerned he thinks that its needs are getting big enough to indicate that an approach should be made to the Industrial Development Bank for loans.

This booklet, issued by the Industrial Development Bank, entitled "A Source of Financing for Canadian Business," has this to say:

> The Industrial Development Bank can consider an application for financing where these general requirements are met:
>
> The financing is required for a business in Canada.
>
> IDB can provide financial assistance to almost every type of business, including manufacturing and commercial businesses, wholesale and retail trade, primary and secondary industry, tourist, recreational and service businesses, construction trades, professional services, transportation, and other businesses as well.
>
> There are only a few types of businesses not regarded as appropriate for IDB assistance, such as those engaged in lending to others and those which obtain a substantial portion of their revenues from selling alcoholic beverages. Loans to finance residential properties or for residential land development are not available from IDB.
>
> The business need not be an existing one—IDB has helped finance the establishment of many new enterprises.
>
> The required financing is not available from other sources on reasonable terms and conditions.

Here is the difference between an Industrial Development Bank loan and a loan from other institutions or through other arrangements made by the Government: a borrower can obtain money from the Industrial Development Bank when it is not available anywhere else. The policy of the bank is that you can go to it and obtain money when you have been turned down by the normal and general sources of supply of cash, such as the companies who normally lend money.

The official I am speaking of holds quite an important position, and he said that the eastern people could apply through this bank for money for the development of the fisheries.

Honourable senators, it is all very well to talk about a ceiling of $4,000 on loans, but a good beam trawler costs $400,000 today. Even an inshore fisherman may have $50,000 invested in nets and boats that he can lose at any time, because the industry is such a hazardous one. This industrial bank now has agencies all over the country. I believe there is one in St. John's, Newfoundland, and one in Halifax. I am only putting this point forward because I think it is in the interest of the fishermen of my province. I believe they should be well advised as to what is going on, and that as far as this act is concerned, maximum loans to small fishermen should be raised to $10,000. That is the amount they can insure for under legislation. It makes the venture safe; there is no special hazard involved. I do not think many people in this country would like to see the maximum remain at $4,000.

I hope that this situation will be taken note of by somebody in authority, as it is not good. It might be that the fishing industry would be better served through the facilities of the Industrial Development Bank. In any event, the provisions of this bill should be extended to allow loans of $10,000 instead of $4,000. The bill would then be of more service to the smaller inshore fishermen.

Hon. Malcolm Hollett: Honourable senators, I should like to say, first of all, that the principle of the bill is one with which we can all agree, in regard to the extension of the time limit. However, I wish to restrict my remarks to the details outlined in the bill. We must remember that the act was passed in 1955, and it is not to be expected that the Government of that day, when it was proposed to limit the amount to $4,000, would appreciate the position as closely as does this Government at the present time. It may be that they were not properly advised.

I agree with every word spoken by the honourable senator from St. John's West (Hon. Mr. Pratt), and I agree also with what has been said by the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley). Naturally, I want to congratulate the honourable senator from St. John's East (Hon. Mr. Higgins) for his explanation of the bill.

I myself was a fishery boy many years ago. I remember one incident which has been brought to my mind by the references made by the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley). A half century ago or more, my dad wanted to buy a new schooner but he did not have any money. He had paid all his bills and the schooner he had was not much good. He went in to St. John's and went to one of the merchants on the waterfront. In those days the merchants were the only people from whom one could get a

loan. A lot has been said about the merchants in St. John's in times past, but they were the people who kept the fishing going in Newfoundland. He went to one of those merchants and said he knew of a vessel in Lunenburg named the "Dove". I dare say the honourable senator remembers it. The merchant asked how much it would cost. I think the price was $3,800 and the vessel was 90 to 100 tons. Now $3,800 in those days was a lot of money. The merchant told my dad to get it and that the question of the money would be looked after. He got that schooner and paid for it through the years.

I mention that incident to compare the fisheries of the past with the present. Certainly, $3,000 or $4,000 fifty years ago was a lot of money. On the other hand, let us not forget that this act was passed in 1955, not 1956, 1957 or 1960. When it was passed $4,000 was not sufficient to assist any fisherman, at least in Newfoundland, to any great extent.

We have to be careful as far as Newfoundland is concerned, relative to fisheries. The chances of any man in Newfoundland today are greatly enhanced if he goes to an occupation other than fishing. Some additional inducement is needed at present, and unless this is given I feel that the fishing industry in Newfoundland, as well as in Nova Scotia, is in for a bad time.

I agree entirely with the honourable senator from St. John's West (Hon. Mr. Pratt) and with the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley). I believe every honourable senator will agree with me that a $4,000 loan is not sufficient. We should ask the Leader of the Government in the Senate (Hon. Mr. Aseltine) to acquaint the proper authorities of the true position with regard to that amount. Even $10,000 would not be sufficient, but it would be better. In this day and generation, if we are to assist our fishing industry, we must assist the men who have the gumption to gamble in that industry. One could hardly gamble on $4,000. One could scarcely buy anything for that amount. Therefore, there is no sense in one sticking out one's neck about $4,000, when it is not enough and you still have to try to get money from another source.

I agree with the principle of extending the time to 1965. I would say it should go to 1967, which is the anniversary of Confederation.

I am convinced that, if the position in regard to the $4,000 were laid properly before the powers that be—the Minister of Fisheries, or even the Prime Minister who has the fisherman's interest at heart as he has that of the farmers—they would not object to raising that limit beyond $4,000.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Higgins, bill referred to the Standing Committee on Banking and Commerce.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, February 28, the adjourned debate on the motion of Hon. Mr. Croll, for second reading of Bill S-2, to make provision for the disclosure of information in respect to finance charges.

Hon. William M. Wall: Honourable senators, I rise to support the motion for second reading of Bill S-2 because I believe that appropriate steps should be taken at the national level to give to an ever-increasing number of Canadians who are consumers of credit some additional measure of protection and possibly relief through the provisions of this bill. These provisions are directed not to the control of loan charges or the level of loan charges, but simply to their full and complete disclosure in measurable or comparable terms or yardsticks. This disclosure, in easily understandable and comparable terms, should help to dispel some of the *mystique* and some of the mystery with which so many credit transactions have been surrounded by so many purveyors of consumer credit.

Discussing the large variety of credit transactions under the title "Mystery and Mumbo-Jumbo", one daily newspaper points out that because no law at present requires the dealer to reveal the effective rate of interest the consumers of credit really have no effective yardstick for making valid and meaningful comparisons among the financing charges of consumer loans. I am mindful at this point of a first-page story dated May 13, 1961 and carried in the *Financial Post* under this thought-provoking title, "Stop Sharks Before Public Gets Mad".

For me the important consideration at this point of the debate is the basic idea, or the basic principle. In the course of my remarks I intend to prove, at least to myself, that the bill is constitutional, that it is operable, and it provides for the kind of information that the people want and need.

I see the bill for what it is trying to do, that is, to give additional and, in my judgment, needed statutory protection to borrowers or consumers of credit by making it an offence not to give to each borrower certain basic information. Honourable senators will remember the kind of information that is provided for under section 3 of the bill. It requires the lender of credit to tell the borrower in unmistakable terms (1) how much

he owes, or, in other words, the balance outstanding; (2) the sum total of all the charges against that outstanding loan; and (3) what this total means in measurable terms—and the bill means in terms of simple annual interest—which must be related to the outstanding average balance owing, and not to anything else.

What is basically wrong with this proposition, honourable senators? That is something that has been perturbing me and bothering me, and the more opposition I see to this kind of proposition the more suspicious I become, because I fail to see why doubts have been raised concerning the true intent and purpose of this piece of legislation. After doubts were raised about its true intent, I did go back to the bill and read section 2 with its definitions. Then I read section 3 with its request for a mandatory written statement to the borrower containing those three pieces of vital information. Then I read section 4 dealing with the penalties for non-compliance, which really amount to saying that the lender cannot collect. Then I read section 5 which gives to the Governor in Council rather narrow powers of making regulations. I cannot, for the life of me, see how anybody can construe this bill as meaning anything but what it says.

Of course, we who support the bill hope that it will, through more effective means of mandatory disclosure, give additional protection to the consumers of credit, but how this can be expanded to mean that the bill is a kind of thin edge of a future wedge for actual and more direct control of credit rates and credit terms is beyond me. I respectfully submit that we should be dealing with the substance of this bill as we have it printed—in black and white.

The problem of constitutionality has been raised again in a somewhat different fashion. We are told that because the present bill is now delimited to cover only conditional sale agreements, and because criminality has been taken out of it in the sense that the present bill contains no criminal penalties for non-compliance, and because interest, which is an exclusive federal responsibility, is being merely included as one of the finance charges against a consumer loan—which, in fact, is the situation under the Small Loans Act—that therefore, or perhaps, we are dealing more with civil and property rights, which are under the provincial jurisdiction.

Please note that here we appear to be ducking the very plain fact that the major component of these consumer loan charges is, has been, and will continue to be, interest; and because of that I have to go to the British North America Act. I have to look at the part entitled, "Distribution of Legislative Powers", and read section 91 which says, among other things:

> . . . it is hereby declared that (notwithstanding anything in this Act) the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated . . .

And among those classes of subjects is "19. Interest".

Secondly, we must keep in mind that the problem of defining the overall cost of a loan as interest—the problem of defining the whole cost of the loan, of all the financial charges, as interest and, therefore, within the competence of the federal Parliament—was settled away back in 1939 with the passing of the Small Loans Act. I would just like to refer honourable senators to page 744 of the *Debates of the Senate* of 1960 where I referred to a statement by a former Deputy Minister of Justice, Mr. Varcoe, concerning that particular problem and how it was handled in the context of the legality of the Small Loans Act.

What does it mean, honourable senators, when I find that the legality or the constitutionality of the Small Loans Act has not been challenged in any Canadian court since its coming into force? The present bill is almost an identical twin of the Small Loans Act because it deals with interest similarly defined and similarly equated, as it is in the Small Loans Act and has been for the past 22 years.

If you examine the bill's definition of finance charges and then look at the definition of loan charges in the Small Loans Act you will find that the language, the purpose, the principle, and the substance are the same. It is a twin. What is the difference? This bill only asks for disclosure, and it asks for a valid percentage calculation. The Small Loans Act is different because it prescribes and controls the maximum charges, also in percentage terms.

Furthermore, I am supported in my conviction that the bill before us is within the competence of the national Parliament by the very comprehensive statement by the Senate's Law Clerk, which has been referred to in this house and which can be found in the *Debates of the Senate* 1960-61, at pages 312-316.

Finally I ask myself—and this is a non-legal mind asking—if it is not constitutional for the federal Parliament to extend the definition of interest, over which it does have exclusive authority, to include the many ancillary charges directly and intimately connected with the consumer loan, as our Parliament has already done in the Small Loans

Act, why is it more constitutional for provincial legislatures to extend the interpretation of the definition of property and civil rights to include interest, which is an exclusive federal matter?

It may be that the Alberta legislation, to which reference has been made in this debate, a copy of which I have in my hand and which I have read quite carefully, is guilty of some form of invasion of the jurisdiction exclusively assigned to Parliament with respect to interest. It may be that the projected Manitoba legislation, which is about to be introduced in the legislature in Winnipeg, will be guilty of a similar jurisdictional invasion. Furthermore, just because the provisions of the Alberta legislation have not been challenged does not mean (a) that the constitutionality of the provincial legislation has been definitely established or, (b) that the constitutionality of this bill can or will be successfully challenged.

Quite frankly—and I am not a lawyer—I fail to understand why doubts should be raised about the probable unconstitutionality of Bill S-2, an act to make provision for the disclosure of information in respect of finance charges, but this aspect of the problem can be given further consideration in committee, at which time we may have the benefit of the judgment of constitutional experts upon whom we may call.

What about the argument that perhaps the law envisaged by the present bill would be inoperable because of the variations in the answers obtained even by experts in the calculation of the simple annual interest percentage relationship? I am decidedly of the opinion that we are dealing now with a hypothetical problem area about which there is much ado about not so much. I respectfully submit that these calculations will not be as difficult to make, and I believe that the answers will not be as variable if and when they are made in line with, and in accordance with, regulated and perhaps unitary type procedures, which will be prepared by experts, under section 5 of this bill, and which will be used in the same way by all lenders.

Although I do not want to get into details at this stage, I do want to stress that the present bill contains a provision whereby the Governor in Council may determine the degree of accuracy within which the credit financier must disclose finance charges.

This relaxation should at least dispose of the argument—and I stress this point—that finance charges cannot be calculated with complete accuracy. I am referring, of course, to the percentage relationship in terms of simple annual interest. I tend to agree with the honourable senator from Kennebec (Hon. Mr. Vaillancourt), that these rate calculations can be made accurately enough for the purposes of this legislation simply by being read off specially prepared tables which could be made available, and which may be available now.

I have in my hand an all-purpose accounting statement. I do not mind showing it to those honourable senators who are interested in it but I do not wish to place the name of the firm on record. In any event, this statement tells the customer that if he owes a balance of so much money the service charge for the month—and these are all on a monthly basis and can be translated into an annual basis—is so much.

Hon. Mr. Isnor: May I interrupt my honourable friend to ask a question?

Hon. Mr. Wall: Yes.

Hon. Mr. Isnor: Does the rate you are referring to in that table change every month?

Hon. Mr. Wall: If I understand your question you mean—

Hon. Mr. Isnor: I have asked whether the table you are using changes every month—

Hon. Mr. Wall: No.

Hon. Mr. Isnor: —as it relates to any particular amount?

Hon. Mr. Wall: It does relate to a particular amount. Actually, this particular table is made for people who purchase articles and who keep adding to their purchasing account. They pay so much on the account and then purchase something else, so that each month they may have a different outstanding balance. The balance changes from month to month. This particular firm has a table starting from zero and goes up to $1,500. If the customer owes, say, between $25 and $35 the monthly payment is to be $4 and the service charge on such an amount is 45 cents. In other words, they have calculated figure by figure the exact amount of service charge to be assessed against the account, which could be changing in amount from month to month. Therefore, there is a definite assessment of a monthly charge against a monthly balance. This is done on a monthly basis.

Hon. Mr. Aseltine: What is the annual rate of interest?

Hon. Mr. Wall: That is a very fair question. I looked into this problem most carefully and I asked that question myself. The annual rate of interest varies according to the amount outstanding, and in respect of this particular firm I was told it varies, starting at 1.45 per cent per month. At the end of the table they tell you that if you owe over $500 you will

be charged a monthly service charge of 1.2 per cent, and if you multiply this by 12 it will give you the annual figure.

Hon. Mr. Hayden: May I ask my honourable friend a question?

Hon. Mr. Wall: Yes, certainly.

Hon. Mr. Hayden: My friend has made reference to a certain table. Since this bill concerns itself only with consumer credit, I am wondering whether he is familiar with the form of conditional sale agreement that is generally used at this time.

Hon. Mr. Wall: Yes, I have quite a few of those in my folder. I can refer to these forms, some of which are open-ended and some of which are for specific amounts for specific purchases.

Hon. Mr. Hayden: Would my friend permit a further question? In the form of conditional sale agreement generally used, there appears on its face a sort of box in which a number of items are enumerated, showing the total cost of the purchase of for instance, an automobile, and any additional charges to be made. The sale price is given, and the cash down payment is shown as a deduction. Insurance, if there is any, is set out as a separate item, as also are recording charges, and that means the registration fee. The total cost is expressed as a separate item under the heading "Finance Charges". All those items appear, and are added in to the unpaid balance, and that means the total deferred amount owing. Then you have the provision, depending on whether it is 12 months or 24 months financing at so much a month. Is that right?

Hon. Mr. Wall: That is perfectly correct.

Hon. Mr. Hayden: Thank you.

Hon. Mr. Wall: What the form does tell you is the total finance charges; but what the form does not tell you—and I am looking at a conditional sale contract now—is the second bit of information, which is the real, true yardstick for telling me how to compare finance charges.

Hon. Mr. Hayden: I do not want to interrupt my friend in his chain of thought, but may I ask one more question?

Hon. Mr. Wall: Yes.

Hon. Mr. Hayden: Finance charges then may include a number of items, such as appear on that form. You may have an insurance premium, you may have a registration charge, and other items if they apply, and then finance charges. So would my friend agree that the total of all those would be the finance charges under this bill?

Hon. Mr. Wall: Ah! No, I cannot agree.

Hon. Mr. Hayden: Well, would you read section 2(b) of the bill?

Hon. Mr. Wall: No, let us talk about section 5 also. Most certainly this problem of ostensibility—and I think it is ostensibility and not proven inoperability—merits our further attention and study, and this type of specific study can best be done in committee.

We have also been told that the rate of interest is not really germane or valuable to the borrower in making consumer loans, and that there would be adequate provision for truth telling in these transactions if the prospective lender was told the total amount of the finance charges. My own experiences, and what I hear from others, make me feel very strongly that the average Canadian would prefer to have information not only about the sum total of the cost of the loan but also about the interest rate relationship on the average total amount of the unpaid balance outstanding, if it is a regular account.

Hon. Mr. Bouffard: The total amount of interest, including the finance charges?

Hon. Mr. Wall: Yes. Well, I do not know exactly what you mean, or how you define "including the finance charges".

Hon. Mr. Hayden: My friend has been using the word "interest". Is he describing "finance charges" as synonymous with the term "interest"?

Hon. Mr. Wall: In the context of the present interpretation of this bill, as I make it, and as I relate it to the analogous interpretation of "interest" being loan charges in the Small Loans Act, I would say yes.

Hon. Mr. Hayden: You say they are synonymous?

Hon. Mr. Wall: I would say yes, with that proviso.

Hon. Mr. Bouffard: Would you describe an insurance premium as a finance charge and also as interest?

Hon. Mr. Wall: Oh yes, because if I am borrowing $1,000 from you and you are making me buy $1,000 of insurance to make sure that if something happens to me you are protected by the insurance policy, that is a legitimate cost of the loan; it is part of the cost of the loan.

Hon. Mr. Hayden: Well, who gets the premium that is paid?

Hon. Mr. Wall: It is still the cost of the loan.

Hon. Mr. Hayden: But who gets it? We are talking about interest.

Hon. Mr. Wall: Who gets it?

Hon. Mr. Bouffard: Yes, who gets it?

Hon. Mr. Wall: Well, certainly it is not the lender who gets it, but the person who provides the insurance, that is true. It is part of the cost of that credit transaction.

Hon. Mr. Hayden: To the borrower?

Hon. Mr. Wall: I am not arguing that the vendor gets it. What I am arguing is that the average Canadian believes, and correctly believes, that the simple annual interest rate relationship of these total loan charges against the finance charges as we have them in this bill, to the average annual outstanding amount, is really the only sensible and the only comparable yardstick of the unit price of the commodity that we call credit. There is no other sensible yardstick the man can use.

Hon. Mr. Hayden: Is my friend saying that the cost to the borrower and interest are synonymous?

Hon. Mr. Wall: No. What I am saying is that, as in the Small Loans Act and in this present bill, the cost of the loan is construed to be interest in the sense that it is interest plus any ancillary charges which are connected with that loan or credit transaction, and that whole thing is called the cost of the loan. In this bill it is called finance charges, and in order for an average person to know what that means, the only way he can measure it is to take the total charge against the loan, whatever its components are, and relate it to the average amount of money that he has borrowed that is outstanding, and say, "O.K., I can measure this, and I can say that it is 'X' per cent". I go to somebody else and he wants to charge me 'X' plus five per cent. Then I can compare and know where I stand; otherwise I cannot compare.

Hon. Mr. Hayden: Does my friend suggest that finance charges in this bill are made synonymous with interest?

Hon. Mr. Wall: The word "synonymous" bothers me, because you have asked me that question several times, and I fail to understand why.

Hon. Mr. Roebuck: That is why it was asked you.

Hon. Mr. Wall: Now, it is true, honourable senators, that the Alberta legislation provides for a choice of information; that is, the legislation asks the purveyor of credit to tell the customer either the total charges or the simple rate of interest. I for one would like to know how this legislation has worked out in actual practice. For example, what has been the Alberta experience with the disclosure of the calculated annual interest rate? Which type of information had the Alberta borrowers preferred and found most useful? Do Alberta borrowers ask for both disclosures? Have there been any real problems with interest rate calculations? Has this legislation been useful? Has it failed? If so, how and why? Perhaps further committee study of this bill can provide us with this very interesting information.

We have also been told that the bill makes the erroneous assumption that all consumers of credit know so little about finance that they may be rather ignominiously termed "bumpkin borrowers". Are we sure this kind of philosophizing is not a diversionary distraction? I respectfully submit that there does exist in modern credit science a kind of mystery and *mystique* which are a part of so many consumer loan transactions—and I am thinking of the unsophisticated borrowers reading their contractual obligations with the fine print, and of these same borrowers faced later with problems of refinancing, penalties for missing payments, penalties for prepayment in the sense that even the refundable portion of the interest previously charged is sometimes only partly refunded. I respectfully submit that the kind of direct written information which the bill envisages should help to clear away at least some of this mysticism, and should make it easier for the borrower to make more competent assessments of his consumer loan obligations, and make it more likely that there may be some comparative shopping with respect to finance charges.

I believe that the average Canadian is in favour of this kind of information. How else can I explain the wide support for this measure by the average man or from responsible organizations close to what we may term the little man? I would like to read to you one or two letters which are typical. The first one is from a private individual in Portage la Prairie. He indicates support of the bill, and says:

> I believe the establishment of a standard method of calculating interest on loans and the revealing of the actual cost of interest and other charges on credit transactions is in the best interest of the public.

Then he goes on with this interesting idea:

> Interest is a measure of the cost of borrowing or lending money, just as is the gallon or pound, measuring gasoline or butter. People are entitled to a measure which is meaningful to them. They are entitled to the basic information which

will give them reasonable opportunity to handle their credit needs wisely. I would solicit your support in this matter.

The letter is signed by a Mr. Werbiski.

Also I had a letter from Mr. A. Kristinson, Secretary Manager of the Gilbert Plains Credit Union Society Limited, who writes as follows:

> At the annual meeting of the Credit Union Federation of Manitoba, held last month in Winnipeg, the members present passed a strong resolution endorsing Senator Croll's Financial Disclosure Bill.
>
> I have been instructed to write you to assure you that our members are very strongly in favour of the measure, and are hoping it will be enacted into law. We would respectfully request your support for the measure, as being one that means a great deal, both financially and in principle, to the people, both urban and rural.

Honourable senators, I am sure that all of you have received through the mail a written submission from the Canadian Federation of Agriculture which discusses this particular bill. I would like to quote just two rather long sentences from this particular submission, as follows.

> The person of low and moderate income, the person who has a desire, and we might add a perfect right, to avail himself of many of the essentials of this life, as well as some of the frills, is seldom in a position to carry out "on-the-spot" calculations of true interest rates ...
>
> We submit the citizens of this country, who are not for the most part financiers, accountants, mathematicians, or very well-to-do either, have every right to expect the Government of Canada to provide measures that will protect them against interest rates that are usurious, and lending practices which cloak the true interest rates charged in such a way that it is almost impossible for the average layman to determine the cost in either percentages or in dollars. He has every right to expect the legislators of this country to curtail any practices that do in fact cause hardship to either him or his family.

Although I cannot subscribe to every word of this particular submission, I do contend that it does show a wide measure of interest on behalf of people I have termed ordinary, average Canadians. They are interested. I have had very many letters from individuals, and I have had between 15 and 20 letters from organizations.

I believe, honourable senators, that in the modern business world consumer credit in all its varied forms has become as much a commodity as a pound of butter or a sack of potatoes, and it is imperative that people know the cost of this credit commodity both in total amounts and in some percentage relationship.

I repeat, the annual interest rate relationship appears to me to be the only meaningful measuring yardstick to show the true cost of credit—much like the price per pound of butter or cheese. Armed with this information, consumers of credit will be able to do some comparative shopping in the field of finance charges on consumer loans. This would be a desirable development, in my opinion. I, too, believe that potential purchasers should be able to "shop for credit" in the same way that housewives are able to shop for meats or canned goods. The prices of such staples are clearly marked, known and comparable. Here there is no mystery or misunderstanding. Why should the potential buyer of a new car or television set, who cannot pay cash in full, not be entitled to be similarly informed about what he must pay in unit terms for obtaining credit on the unpaid balance of his transaction or transactions?

Honourable senators, I confess that I am concerned by a problem area which has been raised by the honourable senator from Toronto (Hon. Mr. Hayden), namely, that the present bill does not provide for consumer credit situations where the actual selling is done by one person or entity, and where the financing of the unpaid balance outstanding is a kind of separate transaction entered into with another person or business entity. If that is indeed so, then the effectiveness of this piece of legislation will be delimited or narrowed, and its potential benefits may be severely circumscribed. This probability disturbs me, and I express the hope that committee study will throw further light upon this problem area.

I thought that the rather careful definition of "credit financier" in section 2(a) of the bill did provide for this kind of consumer loan transaction, but this is a technical problem of drafting and may best be handled in committee.

In all fairness, honourable senators, I must direct your attention to another problem area which has been brought more forcibly to my attention as I have discussed the implications of this bill with responsible credit managers of department stores and other commercial enterprises which provide consumer credit. I refer to what I might best describe as "open-ended," "revolving" or "optional" credit accounts, in which outstanding balances and instalment payments may vary month by month. I bring these to your attention so that we may

take into account the existing structure of the various practices in extending consumer credit; and these open-ended credit arrangements are now very much in use and are, apparently, gaining in popularity.

I should like to explain very briefly what I mean by open-ended or revolving credit accounts. Let us assume I am the customer and that I go to department store "A" in this city and say to them that I need to buy $300-worth of goods of various kinds. They may or may not extend to me credit for $300; but let us assume that they are willing to do so. My wife and I start shopping, and we buy $75 worth of goods during the first month. Then, the next month we add another $50 worth, but we have paid off $15, let us assume, so that the amount of credit outstanding changes month by month, depending on the instalments that are paid. There is, I am told, a great deal of that kind of credit, and it varies in type from establishment to establishment. One establishment may say this: put down $20, and we will allow you to buy up to this or that amount on credit. Another establishment may say: we will allow you to buy on credit with no down payment, up to a certain amount, but the amount outstanding may vary from month to month. The payments vary: they may be regular $20 or $15 a month; or they may vary, depending on the ability of the customer to pay the loan off within the terms of his original agreement.

I should like to point out, if I may, that I have in my hand one such agreement. It is an open-ended agreement. You sign the agreement. They ask for certain pertinent information dealing with credit, but the substance of the agreement is this:

> I understand and agree that my fixed limit of charging on this account is—

And there is a blank to be filled in.

> —that the monthly payment is—

And another blank space.

> That I am to pay a carrying charge of 1½ per cent of the amount owing.

That is 1½ per cent per month, and so on. Some stores charge 1 per cent per month and some 1½ per cent per month. Some stores give an actual figure of the monthly charge, as I have indicated to you. There are problems in revealing both pieces of information in this respect. In other words, it is not one single transaction in which you can calculate the finance charges and work out the simple annual interest rate relationship. This is a variable account and, therefore, some stores levy a monthly service charge according to the amount owing or outstanding that month. Some stores say that you owe so much and that they will charge 1, 1½, 1¼ or even half of one per cent per month, depending on the policy and experience of the store.

There may be problems in these types of contracts. I believe that these more specific problems could be profitably discussed in committee, with the help of those who furnish this kind of credit. However, I do wish to make this additional observation, that from my conversations with credit managers of some of these firms who use this form of open-ended credit agreement, I gathered that the disclosure requirements envisaged by the present bill—that is the two types of disclosure, the finance charges and the interest rate relationship—could and would be satisfactorily met in practice by suitably conceived regulations provided for in section 5.

Honourable senators, I have almost finished. From the sponsor of the bill you have heard something about the high and often unconscionable finance charges which are levied against the customers of consumer credit. What perturbs me is the answer which I find myself forced to give to this question: With existing protective legislation presently found upon federal and provincial statute books, is there evidence to show that many borrowers are now being subjected to high finance charges which they cannot readily assess and which, upon assessment, prove to be usurious and unconscionable? If that is the case, then why? So, if Parliament can do something, if it can do anything to mitigate and to alleviate this burden of loan charges, then let us say, by all means, do this something.

I believe that this bill will help in two ways: first, its disclosure features will provide better price competition in the consumer credit market; and, secondly, this additional and mandatory credit charges information will help to bring about better, because more knowledgeable, credit management by the individual borrowers.

In my view, the present bill is an improvement over the earlier bills in that it is specific and limited to the field of consumer credit. I hope and believe that the bill will be approved in principle by most honourable senators, and that it will be sent to committee for more detailed study. It is because I am basically in favour of what the bill proposes to do that I feel that we should do nothing less than permit this basic proposal to get further study and additional assessment in committee.

On motion of Hon. Mr. White, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See page 304*)

CIVIL SERVICE COMMISSION
CANADA

March 5, 1962.

To The Honourable The Members of the Senate

The Civil Service Commission has the honour to submit the following report:

Pursuant to the provisions of Sections 60 and 61 of the Civil Service Act, the Civil Service Commission seeks approval for the exclusion of position LP-A-30 from the operation of Section 12 of the Act, to provide for the promotion of Miss Yvette D. Chevrier as Cataloguing Librarian 1 at $4560 per annum, the third rate in the class range, effective January 3, 1961. At the time of Miss Chevrier's promotion, $4560 per annum was the recruiting rate in effect for the Librarian 1, which carries the same salary range as Cataloguing Librarian 1. It is considered that in all other respects this position should be subject to the provisions of the Civil Service Act.

Respectfully submitted,

Sam Hughes,
Chairman

Ruth E. Addison,
Commissioner

Mark R. Drouin,
Speaker of The Senate

26211-3—21½

THE SENATE

Thursday, March 15, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

ST. PATRICK'S DAY

TRIBUTES TO THE IRISH PEOPLE

Hon. John G. Higgins: Honourable senators, I rise to a point of privilege to ask that the Senate perform again the terrific achievement—since this is an era of many achievements—of harnessing the sun and send this day two days ahead so that we regard today as March 17, St. Patrick's Day, and so preserve an old established custom.

Hon. Mr. Baird: Sing a song, Jack.

Hon. Mr. Higgins: If my request is granted I shall again speak of the history and poetry of Ireland, trusting that next year somebody else will take the falling torch and keep the custom going, as has been done in the past by such capable hands and voices as the late Senator Quinn of Halifax and the late Senator Burke of St. John's, Newfoundland.

We are apt to think of far-off days as barbarous. Education to many minds is a modern boon. It may surprise them to know that many universities, like Oxford and Cambridge, go back to the twelfth and thirteenth centuries. In fact, so far had the cult of learning progressed in those days that students flocked to the universities in thousands. Strange is it to say that students of a university of one country who went to universities of other countries found no difficulty in the matter of language, for Latin was the Esperanto of the Middle Ages and was the tongue used by every professor.

But, stranger does it sound to say that six centuries previously there was in northern Europe a country of culture and erudition. Ireland in the sixth century was a great seat of learning. She had become the custodian of civilization. The great schools of Ireland were free and derived their income from public endowment and periodical collections. Foreigners and natives were treated alike. Such hospitality existed in pagan days and continued with Christianity. In the latter period it became consecrated, and the old Irish expressions show the feeling and meaning:

> Christ is in the person of every guest
> Every stranger is Christ.

There is an ancient poem which says:

> Oh, King of stars:
> Whether my house be dark or bright,
> Never shall it be closed to anyone
> Lest Christ close His House against me.
>
> If there be a guest in your house
> And you conceal aught from him,
> 'Tis not the guest that will be without it
> But Jesus, Mary's Son.

Time does not permit me to touch on the phases of the civilization of Ireland, or to deal with the social classes. But one remarkable institution should be remembered of those days—the Bardic Order, the Order of the Poets.

In an age when other nations were grovelling in the desolation of barbarism, ancient Ireland, even when pagan, presented the extraordinary, magnificent spectacle of a civilization so high that its main criterion was intellectual. Intellect was honoured more than force and the scholar ranked before the warrior, for the bards were next to royalty in Ireland. The bards were the poets, the musicians, the chroniclers and the historians. It was their function to tell the history of the country in rhyme. It was their duty to record the achievements of kings, priests and chiefs, to preserve their genealogies and define their rights. They were privileged guests at every feast, where they sang the glories of their chieftains and of their country. The people of all Ireland were taxed in support of the bards. Twelve years were required for the training of the ordinary poet; but the Ollamh, who was the highest in rank, was required to know 350 kinds of verse and be able to recite poetry extemporaneously on any subject whatsoever. Poetry and music were inseparable. The bard usually sang his songs and played his harp.

The people got the worth of their money —if we wish to use the modern commercial criterion. The poets taught them, they preserved the traditions of the Gael, even as Homer did for the Greeks and Virgil for the Romans. In the forefront of the battle the king was no more conspicuous than the bard with his harp, inspiring each warrior to noble deeds.

Learning was held in great respect. These ancients had high standards. No man could be chief poet unless he had drunk deeply and copiously at the font of learning, and there was a code for the bards:

> Purity of hand, bright without wounding.
> Purity of mouth, without poisonous satire.
> Purity of learning, without reproach.
> Purity of husbandship in marriage.

The importance of music and poetry was not lessened by the introduction of Christianity, rather was it quickened. We are told that St. Patrick advised the bards to keep their harps and sing the songs of Erin's heroic youth as in the pagan days. But he taught them to use their harps to loftier strains than those of the banquet hall or the battle march. He sought to drive out from their songs the evil spirit of undying hate and rancorous vengeance, to impress the mind of the bard with something of the divine spirit of Christian charity and to soften the fierce melody of his war song with cadences of pity for a fallen foe. He taught them to chant the psalms of David and to sing the music of the church.

At the last great convention of the Gaels held at Drumceat in the north of Ireland in 573 the Bardic Order was reformed. It was decreed that regular schools should be formed. Four arch poets or ollamhs, one for each province, were appointed to preside over these schools. It is in a great measure due to these bardic schools that we owe the preservation, not alone of the ancient and authentic chronicles of Ireland but also of an immense mass of romantic literature. These schools, which taught music as well as literature, attracted the outside world, and so great was their reputation that students from other lands flocked to perfect themselves, even as in recent years music lovers came to Italy and Germany.

From the very earliest times in Ireland, almost everything worth recording was put into verse. When St. Patrick had the laws codified a poet was asked to put them into verse or to use the beautiful Gaelic expression "to put a thread of poetry around them". Some scholars agree it was the ancient Irish who invented rhyme and introduced it through the Latin to Europe.

Less than a century after Patrick landed in Ireland in 432, there was born the greatest Gael of all times, Colm or Columcille commonly called Columba. His memory is perpetuated in the name of Malcolm—the son of Colm—the name given to the first convert king of Scotland. Malcolm is a common name in Scotland, and many Scottish kings bore it.

His life was the history of Ireland and of Scotland for nearly half a century. He was the son of the High King of Ireland, and would have been the High King himself if he had not been a cleric. He founded Iona, and he converted Scotland. He was the most commanding personality of his time. He was a poet of high order and some of his poems have come down to us through the years. One was written when he was in self-imposed exile, and this was translated by Douglas Hyde in the original metre:

Oh Son of my God, what a pride, what a pleasure
To plough the blue sea
The waves of the fountain of deluge to measure
Dear Eire to thee.

Yet my visit and feasting with Komgall have eased me
At Kainneacht's right hand,
And all but thy Government, Erin, has pleased me,
Thou waterfall land.

The last two lines have a familiar ring. Even in those days, men of action were criticizing the government of the time.

Time does not permit me to tell of the poetry before the coming of Patrick, nor to discuss the great sagas—the Red Branch or Heroic Cycle, the Fenian cycle and the Ossianic poems.

The golden age of Ireland, from the fifth to the twelfth centuries, produced many poets whose writings are extant. The book of Leinster contains a pretty little lyric of Cormac, the Bishop King of Cashel, which has precisely the theme of Tennyson's "Crossing the Bar":

Wilt thou steer my frail black bark
O'er the dark broad ocean's foam?
Wilt thou come, Lord, to my boat
Where afloat, my will would roam?
Thine the mighty, thine the small:
Thine to make men fall, like rain;
God! wilt thou grant aid to me
Who came o'er the upheaving main.

The period from the coming of the Normans to the days of Elizabeth produced some fine poetry. The bardic families still produced their poets. The great streams of bardic poetry came down the centuries through families such as those of O'Daly, O'Higgins, MacNamee, Mac-a-Ward, Egan, O'Mulconry and others, but new bardic families sprang up from time to time.

With the penal laws imposed by Elizabeth and the ban on Gaelic literature the Order of the Bards ceased and the bardic schools were closed, but now and then some poet, maddened at the wrongs of his country, or sorrow stricken at her plight, broke into rapturous song. Mangan has translated one of these, a poem entitled "Dark Rosaleen". The original was called "Roisin Dhu", or "The Little Black Rose", and was written in about 1590 by one of the poets of Red Hugh O'Donnell, the great chieftain. Red Hugh is supposed to be addressing Rosaleen, which is Ireland. We are told that this song sang itself into the imagination of the race. It has the sweetness of a lyric and the swell of an anthem. It was written when Ireland, under the throes of persecution, was lamenting the loss of old chieftains, when

the bards were scattered and the schools were closed. To demonstrate its force and fervour and the beauty of its changing rhythm, I shall quote a few lines:

Over hills, and through dales,
Have I roamed for your sake;
All yesterday I sailed with sails
On river and on lake.
The Erne, at its highest flood,
I dashed across unseen,
For there was lightning in my blood,
My Dark Rosaleen!
My own Rosaleen!
Oh! there was lightning in my blood,
Red lightning lightened through my blood,
My dark Rosaleen!

I could scale the blue air,
I could plough the high hills,
Oh, I could kneel all night in prayer,
To heal your many ills!
And one beamy smile from you
Would float like light between
My toils and me, my own, my true,
My Dark Rosaleen!
My fond Rosaleen!
Would give me life and soul anew,
A second life, a soul anew,
My Dark Rosaleen!

O! the Erne shall run red
With redundance of blood,
The earth shall rock beneath our tread,
And flames wrap hill and wood;
And gun-peal, and slogan cry,
Wake many a glen serene,
Ere you shall fade, ere you shall die,
My Dark Rosaleen!
My own Rosaleen!
The Judgment Hour must first be nigh,
Ere you can fade, ere you can die,
My Dark Rosaleen!

The last of the great bardic schools, though formed outside Ireland, may be said to have been instituted in Louvain, at the Franciscan College of St. Anthony which provided a house for the Friars driven from Ireland. It soon became the centre in the world of Gaelic learning. The dark days of Elizabeth had come over the land, the hand of persecution had wrought havoc in the condition of the people who had become a hunted race, the nation's life was at its lowest ebb, and Irish learning became exiled. Thither came noted scholars driven from their native land. But the splendid achievement that came through Louvain was the compiling of the annals of Donegal, usually known as the annals of the Four Masters. Six of them there were, but it was mostly the work of four. The feeling was that if the collection and compilation of the annals and traditions of Ireland were not undertaken at once, then the time for doing so would have passed forever that actuated them in their lofty work to compile the history. The dispersal and loss of manuscripts and old records was rapidly taking place and if the memorials were not to be forever lost it was necessary to collect such as remained and transfer them into large books for the benefit of posterity. They had sources of knowledge which have since disappeared.

And so through days of persecution, at the peril of their lives, they sat down in a ruined monastery in Donegal from 1632 to 1636 and wrote for posterity those immortal annals which will be a treasured possession for all time.

Piteous and dramatic was this compilation of immemorial tradition in a land of woe and desolation when the nation's day was darkest and there was no star of hope to light the deepening gloom, for they laboured in the cold belief that the Irish nation was gone forever and that nothing remained to be salved except the memory and the memory only of a once great nation.

They worked for no reward for they thought the nation they loved was gone, but they gave to the children of that nation a priceless heritage; they made a picturesque tradition sure knowledge, and they have earned the thanks of the Gaelic world.

The later days give us some beautiful poems and songs. In the bloody Cromwellian régime, the land was taken away from the owners, the forests were hewn down and the chiefs went into exile. The old song "Shawn O'Duibhir"—O'Dwyer of the Glen—summed up the joyous life of sport and hospitality that ended with the departure of O'Dwyer and his men and with the falling of the trees.

The first three verses depict the good old days, the last verse is one of tragedy:

Rising in the morning, when the summer's sun was shining,
I heard the bugle crying, and the sweet song of birds.

Hares and badgers running, long-beaked woodcock calling,
Loudly rang the echoes, and the strong noise of guns;

The red fox rock-ward speeding, horsemen all hallooing,
The woman in the roadway, lamenting her lost fowl;

But now the woods are falling, overseas we'll travel;
And, Sean O'Dwyer a Glanna, you have lost your game.

The names of the bards of the eighteenth century are many. One was Carolan—the teacher of Goldsmith—who attained lyric perfection in his "O'Gara's Cup".

Oh, were I out in Aran, or in Arland of the gems,

Where the tall ships go gliding, with claret and with meed;
'Tis far, 't'would please me better, if only it were mine,
The goblet of O'Hara, set brimming to my mouth.

There is a beautiful little song translated by Douglas Hyde, where the loved one of the Bard is described as "a star of knowledge":

I thought! O my love! You were so—
As the moon is, or the sun on a fountain,
And I thought after that you were snow,
The cold snow on the top of the mountain;
And I thought after that, you were more
Like God's lamp shining to find me,
Or the bright star of knowledge before,
And the star of knowledge behind me.

There are wonderful figures of speech opened up to us. In one poem the silence and unexpectedness of the coming of the Day of Judgment is described as being like the pushing up noiselessly but irresistibly of a blade of grass through the ground.

As a light comes over the rising moon,
As a heat comes over the settled sun,
As the grass steals up through the fields of the world,
The day of the judgment of God shall come.

The Gaels never forget. They lack the cynic approach of the modern mind. They are sentimental. The dominant note in Irish literature, according to Matthew Arnold, is sentiment. The Irish temperament is poetic. They possess the superb devotion to a cause. And language expresses the feelings of a people. Naturally, then, Gaelic is predominantly the language of devotion. One of the Dukes of Argyle said that if he were addressing his sovereign he would speak English; if he were addressing the lady of his affection he would use French; but if he were addressing his God he would choose Gaelic.

Scholars tell us that Gaelic is a poetic language, full of music. Gaelic songs are among the best in the world. They fill the heart and have the glamour of the past about them. They tell of "old unhappy things and battles long ago". They are hauntingly sad. In his famous poem "The White Horse", Chesterton says:

The great men of the Gaels
Were the men that God made mad,
For they were merry in their wars
And in their songs were sad.

There is a softness and music and a fascinating lilt in the language. It is a language of vowels. It is like Greek, and unlike English in that it has no accentuation. It is a tongue of vowel sounds. Take for instance some words we have often heard—Acushla, Mavourneen, Doreen, Maureen, Aileen Arou, Rosaleen, Erin go Bragh, Cead mile failte. Even names of places and people are musical—Gougane Bara, Lisdoonvarna, Lissadil, Tyrconnell, Tara, Cruchan, Cuchulain.

It is only natural that Irish writers should use English in such a way as to adopt musical words and for ordinary people to speak in musical terms.

There is a Celtic manner in poetry, the Irish or rather Celtic manner of writing English, the Celtic word imagery. Celtic poetry has a quality which Matthew Arnold said, "drenches the dew of natural magic".

Now and then one word in a poem meets the ear and strikes a vibrant chord which lingers in the memory. It is music in itself. It is sheer word magic. It may be a proper name, but poetry often gives such a name, when used in its proper setting, a strange beauty. May I quote a verse you have often heard. It is in *The Exile*, by John Galt the Scottish Gael. One word in this verse gives it a beauty that haunts us—the word "Hebrides":

From the lone shieling in the misty Island,
Mountains divide us and the waste of seas
Yet still the blood is strong, the heart is Highland,
And we in dreams behold the Hebrides.

Egypt, for instance, is by no means a melodious sounding word, but when Shakespeare puts in the mouth of Anthony the line: "I am dying, Egypt, dying", he gave it a wonderful signification.

Sometimes we find a full line of poetry with that indescribable, haunting charm, that dream-like music. For instance, there is that much quoted line: "A rose red city half as old as time". And we have such a one from the pen of that great Irishman and Canadian, Thomas D'Arcy McGee—that line that is dear to the heart of my sentimental friend from New Brunswick, Senator McGrand—a line of sheer magic: "The evening star sings vespers down the sky".

This word imagery is often sustained throughout a poem, the lines containing a combination of words of haunting beauty that tear at the soul or soothe the feelings.

Take one verse of the Irish poetess, Eva Gore Booth:

The great waves of the Atlantic sweep storming on their way,
Shining green and silver with the hidden herring shoal,

But the Little Waves of Breffny have drenched my heart in spray,
And the Little Waves of Breffny go stumbling through my soul.

Let us consider that well known poem of the renowned Irish poet, Yeats, *The Lake of Innisfree:*

I will arise and go now, and go to Innisfree
And a small cabin build there, of clay and wattles made;
Nine bean rows will I have there, a hive for the honey bee,
And live alone in the bee-loud glade.

And I shall have some peace there, for peace comes dropping slow,
Dropping from the veils of the morning to where the cricket sings;
There midnight's all a glimmer, and noon a purple glow,
And the evening's full of the linnet's wings.

I will arise and go now, for always night and day
I hear lake water lapping with low sounds by the shore;
While I stand on the roadway or on the pavements gray,
I hear it in the deep heart's core.

My time is running out, and I would refer to only one other period, that which produced the burning songs and ballads of young Ireland. This New Ireland movement which started in the early 1840's was, to use the words of that great historian, Justin McCarthy, "to raise the country into a more vigorous and concentrated expression of nationality". It created a brilliant chapter in Irish literature. It gave poets like Mangan and Davis. It produced a large number of prose writers and celebrated orators like Thomas Francis Meagher.

I referred to Davis—Thomas Osborne Davis. He wrote *The Geraldines,* the name given to the Fitzgeralds of Ireland, a verse of which was quoted by the Prime Minister when the President of the United States—whose mother, being a Fitzgerald, was a Geraldine—was formally received in the other house. You will recall the Prime Minister quoted these lines:

These Geraldines! these Geraldines!—rain wears away the rock,
And time may wear away the tribe that stood the battle's shock,
But ever, sure, while one is left of all that honoured race,
In front of Ireland's chivalry is that Fitzgerald's place:
And, though the last were dead and gone, how many a field and town,
From Thomas Court to Abbeyfeale, would cherish their renown,
And men would say of valour's rise, or ancient power's decline,
" 'Twas never soar, it never shone, as did the Geraldine."

And on St. Patrick's day we Irish in this country send our greetings or salutations to our farflung brethren—to Ireland, to the Highlands of Scotland, to Wales and Cornwall, to Brittany and Northern Spain and to our Celtic cousins in the United States of America. Let me repeat a portion of the Salutation to the Gaels, by D'Arcy McGee:

Hail to our Celtic brethren, wherever they may be,
In the far woods of Oregon, or o'er the Atlantic Sea—
Whether they guard the banner of St. George in Indian vales,
Or spread beneath the nightless north experimental sails,
One in name and in fame
Are the sea-divided Gaels.

A greeting and a promise, unto them all we send—
Their character our charter is, their glory is our end—
Their friend shall be our friend, our foe whoe'er assails
The past or future honours of the far dispersed Gaels.
One in name, and in fame
Are the sea-divided Gaels.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-73, to amend the Farm Improvement Loans Act, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce

had considered Bill C-74, to amend the Fisheries Improvement Loans Act, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Higgins moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

EVANGELICAL MENNONITE CONFERENCE—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-5, to incorporate Evangelical Mennonite Mission Conference, and had directed that the bill be reported with the following amendment:—

> Page 1, line 11: After "Manitoba," insert "together with such other persons as may from time to time become members of the religious body,"

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Bouffard: With leave of the Senate, I move that the report be adopted now.

He said: Honourable senators, the amendment is a simple one. The bill provided for the incorporation of the company with three members. There was no provision for additional persons to become members of the corporation or the organization. So if it happened that the three men died, the corporation would have been dissolved as there would be no members. The purpose of the amendment is to provide that the corporation may be continuous, and that there will always be others who may become members of the corporation. Therefore, the only purpose of the amendment is to prolong the corporation beyond the lives of the three members who applied for the incorporation.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Beaubien (Provencher): Honourable senators, with leave of the Senate, I move third reading of this bill now so that it may receive consideration by the House of Commons as soon as possible.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY

SECOND REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's second report.

Report read by the Clerk Assistant:

> 1. Your committee have in obedience to the order of reference of March 14, 1962, considered the following report of the Civil Service Commission:

Hon. Mr. Brunt: Dispense.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Brunt: I move that the report be considered at the next sitting.

Motion agreed to.

For text of report see appendix "A" p. 346.

THIRD REPORT OF COMMITTEE

Hon. Mr. Brunt presented the committee's third report.

Report read by the Clerk Assistant:

> 1. Your committee has in obedience to your order of reference of February 27, 1962, considered the following report of the Civil Service Commission:

Hon. Mr. Brunt: Dispense.

Hon. Mr. Roebuck: Honourable senators, why dispense with the reading of something we are all interested in?

Hon. Mr. Brunt: This report is very long and it will be published in today's *Hansard.*

Hon. Mr. Roebuck: We should find out whether we are interested in the contents of the report by having it read.

The Hon. the Speaker: Will the honourable senator for Hanover (Hon. Mr. Brunt) read the report?

Hon. Mr. Macdonald (Brantford): Do I understand that the report is not to be adopted today?

Hon. Mr. Brunt: That is correct.

Hon. Mr. Macdonald (Brantford): Will it be printed in the *Minutes of the Proceedings* of today?

Hon. Mr. Brunt: Oh, yes.

Hon. Mr. Roebuck: That is not an answer, but I agree to dispense with the reading of the report.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Brunt: I move that the report be taken into consideration at the next sitting.

Motion agreed to.

For text of report see appendix "B" p. 347.

ADJOURNMENT

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 20, 1962, at 8 o'clock in the evening.

Motion agreed to.

SMALL BUSINESSES LOANS ACT

BILL TO AMEND—THIRD READING

Hon. Gunnar S. Thorvaldson, for Hon. Clarence V. Emerson, moved the third reading of Bill C-49, to amend the Small Businesses Loans Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

BROCK ACCEPTANCE COMPANY—THIRD READING

Hon. Mr. Thorvaldson moved the third reading of Bill S-9 to incorporate Brock Acceptance Company.

Motion agreed to and bill read third time and passed.

GERAND ACCEPTANCE COMPANY—THIRD READING

Hon. Mr. Thorvaldson moved the third reading of Bill S-10, to incorporate Gerand Acceptance Company.

Motion agreed to and bill read third time and passed.

REPRESENTATION ACT

BILL TO AMEND—SECOND READING

Hon. William R. Brunt moved the second reading of Bill C-14, to amend the Representation Act.

He said: Honourable senators, Bill C-14, being an act to amend the Representation Act, is a private bill which was introduced in the other place, and after rather extensive amendments it was passed in the form in which it is now presented to us.

I have arranged to have distributed to honourable senators a map of Canada, which I feel sure will be helpful with respect to my explanation of this bill. If honourable senators will refer to the map for just a moment they will note the four divisions outlined in black. The most westerly division, or the one on the left-hand side, outlines the boundaries of the Yukon Territory, which is also known as the electoral district of Yukon. Moving to the right, and to the east, honourable senators will find also outlined in black the boundaries of the district of Mackenzie, which is also known as the electoral district of Mackenzie River. Moving still further to the right, honourable senators will find outlined in black the boundaries of the district of Keewatin. Then, to the north and still further to the east of these three districts, honourable senators will find outlined a rather large area, which is known as the district of Franklin.

Hon. Mr. Roebuck: Does that take in any part of Russia?

Hon. Mr. Brunt: It only goes up to the 85th parallel, and does not extend quite far enough to include any part of the U.S.S.R.

The districts of Keewatin, Franklin, and Mackenzie are collectively known as the Northwest Territories. At the present time the district of Mackenzie, which is also known as the electoral district of Mackenzie River, sends one representative to the House of Commons. The districts of Keewatin and Franklin, which have a combined population of approximately 8,000—of which between 3,000 and 4,000 are qualified to vote—do not send any representative to the House of Commons.

Hon. Mr. Reid: How did the name "Franklin" come to be applied to this district?

Hon. Mr. Brunt: We shall have to obtain that information in committee. I believe there was an explorer named Franklin, and it may have been named after him.

Hon. Mr. Macdonald (Brantford): There was a president of the United States by that name.

Hon. Mr. Brunt: That was Benjamin Franklin.

Hon. Mr. Aseltine: This was the explorer.

Hon. Mr. Brunt: Honourable senators, the basic principle of the bill is quite simple. All it proposes to do is to give to the residents of the districts of Keewatin and Franklin the right to vote for someone to represent them in Parliament. That is all the bill seeks to do. No commission is set up to make a

study of it; there is no problem of redistribution involved. It simply gives a basic, fundamental right to these people—namely, the franchise. Up to the present time, all persons residing in the districts of Franklin and Keewatin have not had the right to vote at any federal election, whether it be a general election or a by-election. This is the situation it is hoped to rectify by the passage of this bill.

Hon. Mr. Hugessen: Might I ask the honourable sponsor of the bill whether one could say that the real purpose of the bill is to extend the present electoral district of Mackenzie?

Hon. Mr. Brunt: I shall come to that later in my speech.

Hon. Mr. Hugessen: I am sorry.

Hon. Mr. Brunt: Of the persons residing in these two districts, 75 per cent are of Eskimo origin and the remainder are Northern Affairs administrative personnel, weather station personnel, other civil servants and a certain number of industrial workers who reside at Rankin Inlet.

Under the proposed bill the districts of Franklin and Keewatin are added to the electoral district of Mackenzie for election purposes, and the name of the electoral district of Mackenzie River is changed to "the electoral district of the Northwest Territories".

I think all honourable senators will agree with me that the bill is a good one, and that this legislation is long overdue.

Hon. Mr. Reid: What is the total population there?

Hon. Mr. Brunt: The total population of the two districts together is about 8,000 persons.

Hon. Mr. Crerar: How many are Indian and Eskimo?

Hon. Mr. Brunt: Seventy-five per cent are of Eskimo origin.

Hon. Mr. Macdonald (Brantford): Will this bill result in giving all residents of Canada a vote?

Hon. Mr. Brunt: I would think so.

Hon. Mr. Macdonald (Brantford): Is there any portion of Canada which is now left out of an electoral district?

Hon. Mr. Brunt: I think not; this takes in the remainder of the residents of Canada who do not have the right to vote.

Hon. Mr. Macdonald (Brantford): Could the honourable gentleman tell us how long it is estimated it would take to record the votes of these people living at these distant points?

Hon. Mr. Brunt: I shall come to that.

As I said, the legislation is long overdue, and when the bill receives second reading I propose referring it to the Standing Committee on Miscellaneous Private Bills; and I have arranged for the sponsor of the bill in the other place, Mr. Erik Nielsen, the member for the Yukon, to come over and add to my explanation by giving any further evidence that honourable senators might like to hear concerning the bill.

Hon. Mr. Macdonald (Brantford): Should we not also have the Chief Electoral Officer in attendance?

Hon. Mr. Brunt: Give me a chance, I am coming to that.

In addition, I have arranged for a representative of the Chief Electoral Office to attend, and at that time he will be prepared, I am quite sure, to answer any further questions honourable senators may desire to ask. Having discussed this bill with him, I am confident that he will be in a position to answer the question raised by the honourable Leader of the Opposition with respect to distances involved and the time taken to register votes.

Hon. Mr. Macdonald (Brantford): I have just one more question, which I am sure the honourable gentleman can answer. When will the first election take place at which these persons will have a chance to vote?

Hon. Mr. Brunt: It will take place on a Monday prior to March 31, 1963.

Hon. Mr. Dupuis: Has the honourable senator been advised whether the district of Keewatin, which is circumscribed by a dark black line, includes some islands which are very near the boundary of Quebec? I wonder if the Government has been advised that these islands should not be comprised in that district?

Hon. Mr. Brunt: The real problem arises not in connection with the district of Keewatin, but with the district of Franklin. If honourable senators will look at the map, at the tip of what looks like Newfoundland they will see a place marked Port Burwell. That is located on an island, which I understand is claimed by both the province of Newfoundland and by the province of Quebec. Nevertheless, the position taken by the Government is that it is part of the district of Franklin, since there is a channel six miles wide between the island on which Port Burwell is situated and the mainland. To answer the question, all offshore islands are included in the two districts.

Hon. Mr. Dupuis: There is another island, or group of islands, which should be within

the limits of the province of Quebec. Within the district of Keewatin on the map, there are the Belcher Islands which belong to Quebec. They should not be included in Keewatin.

Hon. Mr. Brunt: That is something which I feel must be left to the province of Quebec and the Dominion of Canada to determine. There is nothing I can do about it.

Hon. Mr. Reid: Has the eastern boundary of the Yukon been changed?

Hon. Mr. Brunt: There has been no change in the boundary at all.

Hon. Mr. Hollett: Did the honourable senator say that the Government attitude is that Port Burwell island is a part of Quebec?

Hon. Mr. Brunt: No. That is part of the district of Franklin.

Hon. Mr. Hollett: Then it is no longer part of Newfoundland?

Hon. Mr. Brunt: That is right.

Hon. Mr. Hollett: Which Government takes that attitude?

Hon. Mr. Brunt: The dominion Government.

Hon. Mr. Stambaugh: Is not this a private bill?

Hon. Mr. Brunt: Yes, but it had to have the consent and support of the Government, in order to be passed in the other place.

Hon. T. A. Crerar: Honourable senators, notwithstanding the eloquence of the honourable senator from Hanover (Hon. Mr. Brunt) who introduced this measure this afternoon, and notwithstanding the arguments which he has advanced, which really were pretty thin when you examine them, I find myself unable to support this proposed change. I cannot see how in reason the public life of this country is going to gain by having people in Ellesmere Island, for instance, or in Victoria Island, or the Queen Elizabeth Islands, given the vote.

Hon. Mr. Aseltine: Why should they not have a vote?

Hon. Mr. Crerar: What do the people living at, say, Resolute Bay, away up in the Far North, know about the problems with which this Parliament has to deal? If our so-called democratic society—which is becoming less and less democratic—means anything, it is that these individual members of society at least have enough knowledge and enough understanding to vote with some degree of intelligence upon the issues presented to them. How in the name of common sense are several thousand Eskimos, who have never been out of their native region in their lives, to understand the great virtues of the present Government?

Hon. Mr. Macdonald (Brantford): That would be difficult.

Hon. Mr. Crerar: How are they to comprehend the program which the Opposition may put forward, or the program which may be put forward by the Social Credit Party or the New Democratic Party? All that will happen in the end is that some will go around and say: "This Government has given you a great many favours: you get family allowances, pensions and other benefits, therefore you should be grateful and vote for this Government." Honourable senators, on the basis of sheer common sense, is that sort of thing desirable?

As far as the white personnel in weather stations and such places are concerned, arrangements can easily be made for them to vote in the same way as soldiers vote when they are absent during an election. They vote as if they were in their own constituencies.

Hon. Mr. Brunt: Would the honourable senator go so far as to say that we should disenfranchise the Eskimos residing in the electoral district of Mackenzie River?

Hon. Mr. Crerar: No, I do not think I would go so far as that; although, I would remind my honourable friend from Hanover (Hon. Mr. Brunt) that if we made a mistake in giving illiterate people the vote in the Mackenzie River country, there is no reason on earth why we should project and enlarge the error into a much larger field. I have seen some Indians who do not understand either French or English. Because we have given them the vote—and we made a mistake in doing so—there is no reason for repeating that mistake. That is the point I am making. I have seen these Indians up in the Far North. They have not the remotest idea of what government is about in this country. All they know now—and they are being very assiduously informed of it—is that the great white mother, whom they imagine is the head of the country, is conferring a favour upon them through the Government, and that consequently they should give the Government their support.

Honourable senators, regardless of the party in power, the principle is unsound and will tend to undermine our freedom. Today much of the basis of appeal to the electorate is not to their intelligence, not to their common sense, to support this policy or to oppose that policy, but more and more it is being made on this basis: Support us because we will do the most for you. For example, we will in-

crease the pensions. If the other party has increased them, then we will increase them still more when we come to power, as was the case in the 1957 election.

I put it to you, honourable senators: Is that a desirable thing in an endeavour to perpetuate responsible government in this country? I cannot see that it is. Educate these people, yes, but to do what this bill suggests is about as sensible as giving the franchise to eight-year old boys who would exercise it just as intelligently as would the illiterate people in these very remote districts. They know nothing of the English or the French language, and have nothing but the vaguest and haziest of ideas as to what goes on in the outside world and what government means. When they see a mounted policeman from time to time they recognize him as authority, but they do not know what is behind him.

I, for one, cannot bring myself to approve this measure for the enlargement of this district. The fact that we may have made mistakes in the past is no reason why we should intensify them. As far as I am concerned, honourable senators, I am opposed to this bill.

Hon. J. Wesley Stambaugh: Honourable senators, I would like to take issue with the remarks of the honourable senator from Churchill (Hon. Mr. Crerar) that these people are not entitled to representation. In my opinion they were entitled to representation long ago, and because they do not understand the English or the French language, or both, is no reason for disfranchising them and thus saying they have no right to bring their problems before this Parliament.

Most assuredly they do have the right to have a representative here, who will be able to bring their problems before the people, and they do have problems. They have problems of which we have no knowledge. One way in which we can find out about their problems is by their having a representative in Parliament, and the only way in which they can have a representative is to elect one and send him here.

I congratulate Mr. Erik Nielsen, who introduced this bill in the House of Commons. It is, as I say, long overdue. These people should have had representation many years ago. They should have had representation at the same time that the Yukon Territory and the district of Mackenzie were included in the act.

I should like to congratulate also the honourable sponsor of this bill (Hon. Mr. Brunt) for making this map available to us. It draws our attention to the size of the territory, and also of the Mackenzie River constituency which has one member of Parliament.

I was very well acquainted with the late member of Parliament for Mackenzie River, Mr. Mervyn Hardie, and I know what a difficult task he had representing that large territory. I know how hard he worked at it, and I know that he travelled to many places to obtain first-hand knowledge of the problems of the people and bring them to Parliament.

By increasing the size of the territory the problems of the member of Parliament will be increased, and it is my hope that at some time in the not distant future there will be two members representing this large district. In that hope I know I will run into considerable opposition from people who live in the large cities. Let me illustrate what I have in my mind.

The city of Edmonton, for instance, with a population of over 200,000 people, has three members of Parliament, but I would think it is easier for one person to represent the whole of that city than it is for one person to represent this large constituency of Mackenzie River. The reason for my saying that is very simple. A member in that city can speak by telephone to the mayor, who represents the whole city in a municipal way, or to the Chamber of Commerce, or the presidents of every social service club. He can speak by telephone to almost every important person living in the city. If he wishes he can take a city bus and in a couple of days travel the whole of his constituency for the expenditure of only a couple of dollars. But if the member for Mackenzie River wishes to see his constituency and the various people up there he must travel by foot, dog team, boat or airplane. His means of travel are very expensive, and if he travelled for two years he would not see everything.

The city of Edmonton may get a new post office, or a new federal building, and it would be for the benefit of every person living in the city. If a dock is built at Yellowknife, for instance, it will not be of much interest to the people in Hay River or in Fort Smith. That is one reason why it is so difficult to represent those people.

There are a dozen different municipalities in the district of Mackenzie. I know something about the district because I have travelled there, and I know what a difficult task the member there has. I am very happy that the people living in these included territories will now be able to vote and have a representative in Parliament, which is their undoubted right.

Hon. Mr. Dupuis: May I ask the honourable senator a question? Before these districts were

divided were there not two or three persons appointed by the Government to look after the interests of the people there?

Hon. Mr. Stambaugh: There is a territorial council, but the people in the districts of Keewatin and Franklin are not even represented on that council. They have had no representation at all.

Hon. T. A. Crerar: May I ask the honourable sponsor of this bill (Hon. Mr. Brunt) a question? Take Cambridge Bay in Franklin, for instance. A poll is organized there with fifty Eskimos on the list entitled to vote. They go to the poll and are handed a ballot. They will not have the remotest idea of what to do with it. Who will explain to them what they should do? Will it be the duty of the scrutineer, or the returning officer, or the clerk? Notwithstanding the eloquent plea of the honourable senator from Bruce (Hon. Mr. Stambaugh), I say they will not know what to do. I have seen this sort of thing happen myself. Is someone going to be there to tell the voters something? Will they say, "You do this," or "You do whatever this fellow over here tells you to do"? What will be the practical application of this? How can these people exercise intelligently—and I stress that word "intelligently"—their franchise?

Hon. Mr. Brunt: Subject to being corrected by what the representative of the Chief Electoral Officer will tell the committee, it is my understanding that returning officers and poll clerks will be well qualified to instruct the voters at Cambridge Bay, for instance, how to mark a ballot, by putting an "X" opposite one name. It is the privilege of each and every political party to have a scrutineer at the poll.

Hon. Mr. Crerar: Granted that, but the poor fellow who is handed the ballot and does not even understand the language, will look at it and look at the returning officer as if to say, "What shall I do with this?" Is the scrutineer for the Social Credit party, for instance, to say, "Oh, you mark an 'X' here", and is the scrutineer of another party to say, "Oh, mark it here"?

Hon. Mr. Brunt: The scrutineer inside the poll cannot say that. He can tell the voter what parties there are, and that is it.

Hon. Mr. Crerar: I must say that it is beyond me.

Hon. Arthur W. Roebuck: Honourable senators, it is with some regret I find myself unable to agree with the honourable senator from Churchill (Hon. Crerar), for whom I have the deepest respect and with whom I so frequently agree. I wish to take objection to the principles involved in his statement, and I do so on behalf of myself and all those who agree with me and who fancy themselves, as I do, a fundamental Liberal.

The honourable senator from Churchill did not place his objection to the enfranchising of these people on the ground of numbers, which would have been arguable; he did not object on the ground of language, which would not have been arguable, but he based his objection on the ground of the intelligence of the people whom we are now enfranchising. By way of argument, he asked how could these people way up in the north understand the virtues of the present administration. I take that to be a pretty good test because, honourable senators, I have never been able to understand that myself. So, they will at least be on the same level of intelligence in that regard as one who has lived in one of the great centres.

In actual fact, I have known men and women with whom I have associated in the course of my life who were illiterate according to our standard of reading, writing and arithmetic, but who in fact were exceptionally intelligent, who had a vast knowledge and common sense, and were able to do extraordinary things.

We have just been discussing in this house a bill which has brought the literacy and intelligence of the lenders of money into issue. It seems, according to some of our members, these money lenders cannot figure out the rate of interest although they are businessmen residing in our towns and cities.

In an assembly of this kind it is an untenable argument to say that citizens cannot be voters because of lack of schooling, learning, knowledge or intelligence. The idea of an intelligence test applied in a democratic community is no longer tenable in this chamber or, in fact, in the Dominion of Canada at large. So I take exception to what has been said by the honourable senator from Churchill. I am not particularly concerned about the difficulties these people will meet in forming their opinions. That is their business. I do, however, thoroughly agree with my friend from Bruce (Hon. Mr. Stambaugh) when he makes the point that whether these poor people in the north are or are not intelligent or illiterate, their problems and interests are quite commensurate with those who perhaps consider themselves to be much superior. Their problems are our responsibility, and we must know what they are. So these people should be represented.

The main reason I rose at this time was to say that I want it understood that I as a member of the Liberal party do not agree

with the disfranchisement of anybody on the ground of his supposed unintelligence. The intelligence test is a thing of bygone years and is no longer acceptable to us in a democratic country.

May I ask just one question, for I think once again my intelligence is below the test, and I may not have followed the sponsor's explanation. Why is it necessary to repeal section 2 of the Representation Act and substitute this section which sets out the number of members of the House of Commons who shall be elected from the various provinces? Are we making any change in the numbers?

Hon. Mr. Brunt: There is no change in the numbers.

Hon. Mr. Roebuck: Then what is the necessity for re-enacting that particular section?

Hon. Mr. Brunt: This could have been done in one of two ways. Parliament could have been asked to pass a section changing the name of the electoral district of Mackenzie River to the electoral district of the Northwest Territories. This could have been done by a short section, and we would have then included these two districts under section 2 of the bill. However, the drafters chose to re-enact the entire section 2 of the Representation Act, and the only change they are proposing is in the name of one of the electoral districts. It is being changed from Mackenzie River to Northwest Territories. As I say, this could have been done in either way, and it has been suggested that it be done as set out in this bill.

Hon. Mr. Roebuck: I do not understand. Why is it necessary to re-enact that there shall be 85 members from the province of Ontario?

Hon. Mr. Brunt: I think they wanted it clearly understood that there would be no change in the number of representatives which would be elected to Parliament, and the new section 2, with the new territories added, fixes it at 265.

Hon. Mr. Roebuck: Am I to understand that these numbers are the same in this section as appear in the previous section in the Representation Act?

Hon. Mr. Brunt: I think that is quite correct, and the only change being made is in the description of the new electoral division.

Hon. R. B. Horner: Honourable senators, while the honourable senator from Churchill (Hon. Mr. Crerar) was speaking about intelligence, it occurred to me that when he was a candidate in the elections he probably judged anyone who did not see eye to eye with him as lacking intelligence.

Hon. Mr. Crerar: Oh, no.

Hon. Mr. Horner: My purpose in rising is to speak about the Eskimos. I think the most moving event I have heard of in modern times was when, a few years ago, 17 Eskimos, with their dogs, were carried out into Hudson Bay on an ice floe. When a week had elapsed they were given up for lost. Finally, the ice floe drifted to where they landed, and on the bare shores they set to work, broke up their sleigh for firewood, cooked and ate their seal meat, and travelled 125 miles home on foot. This was in the month of January, and they were none the worse for their experience.

Hon. Mr. Aseltine: They should have three or four votes.

Hon. Mr. Horner: Yes, they should have three or four votes. It has also been shown that the Eskimos are super-mechanics. Surely, therefore, it is possible to educate them. They are a courageous people. Where else would you find such people? Most people who had to face what those 17 Eskimos faced would panic and die of fright.

Undaunted, home they marched with their bowl of seal meat to eat on the way. Indeed, they should have three or four votes.

Hon. Malcolm Hollett: Honourable senators, I scarcely need to add to what has already been said, because the senator from Bruce (Hon. Mr. Stambaugh) and the senator from Toronto-Trinity (Hon. Mr. Roebuck) have made me feel more kindly towards members on the opposite side of the house. I do admire them for what they said, and I think most of us agreed with them.

I take very strong exception to what was said by the honourable senator from Churchill (Hon. Mr. Crerar). One of the things he said was that these poor Eskimos do not even understand English. Honourable senators, a lot of people in Canada today do not understand English. We have in Canada nationalities from all over the world, and a great many of them do not understand English, but they have the franchise—they have the right to vote. In our own little province of Newfoundland we have a large number of Eskimos in what is known as Labrador, and I am not so sure that they understand English.

Hon. Mr. Dupuis: May I ask if they have the right to vote?

Hon. Mr. Hollett: They have the right to vote. This is Canada, a country made up to dozens of languages. In the Senate we have a divorce court—and I was about to say that I am honoured as a member who sits on one of its subcommittees. Only the other day three persons who appeared in three different cases each spoke a different language, and interpreters had to be found to tell us what they were saying before we could consider

their petitions. So it is not necessary to be able to pronounce English right or understand it properly before being able to get the benefits that this Dominion affords.

I have great admiration for the honourable member from Churchill (Hon. Mr. Crerar) and I am satisfied to believe that what he said was more a slip of the tongue than anything else. Do not let us ever think of taking away the franchise or refusing to give it to any person simply because he does not understand English. That is all I have to say, honourable senators, except that I do think the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Bruce (Hon. Mr. Stambaugh) covered the ground fairly well.

Hon. William R. Brunt: Honourable senators—

The Hon. the Speaker: If the honourable senator from Hanover (Hon. Mr. Brunt) speaks now on this bill it will have the effect of closing the debate.

Hon. Mr. Brunt: Honourable senators, certain senators have pointed out to me that my secretary in marking the maps made a slight error as to the boundaries of these districts. I might point out that she had to mark the boundaries on more than one hundred copies of the map, and one small error is, I think excusable. However, I assure honourable senators that when this bill is being considered in the committee there will be before us a large-scale map which will correctly set out in every detail the boundaries of each district.

In closing the debate, I desire also to call attention of honourable senators to paragraph (b) on page 2 of the bill. I believe in my earlier remarks I stated that the offshore islands were included in these territories. Honourable senators will note by paragraph (b) that the islands in Hudson Bay, James Bay and Ungava Bay are included, except those islands that are within the provinces of Manitoba, Ontario and Quebec.

I hope that answers my honourable friend's question.

Hon. Mr. Roebuck: Honourable senators, with the indulgence of the house: Instead of showing the boundaries on a map why do we not have them described by metes and bounds in the schedule? They surely can be described in that way. That is the way all other constituencies are described. Why do we not do the same here?

Hon. Mr. Brunt: I will endeavour to have that done. It may be that a survey problem is involved. I will endeavour to have that answer for you when the bill is before committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to the Standing Committee on Miscellaneous Private Bills.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF A LINE OF RAILWAY BETWEEN MATANE AND STE. ANNE DES MONTS, QUEBEC—SECOND READING

Hon. Léon Méthot moved the second reading of Bill C-67, to authorize the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

He said: Honourable senators, the purpose of this bill is to authorize the construction and operation of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts, so as to promote the industrial and commercial development of the Gaspé peninsula, by which the residents of Gaspé hope to achieve full economic development on a scale comparable to that attained by their compatriots in other parts of the country.

The proposed route starts at Matane, and leads along the Gaspé north shore in an easterly direction to Ste. Anne des Monts, which is situated due south of the port of Seven Islands, on the St. Lawrence north shore. This railway will be 57 miles long and, under the present bill, the Canadian National Railways would be authorized to act as agent for the Government to build, maintain and operate the line which would connect with the Canadian National Railways' network at Mont Joli, Quebec, by means of the Canada and Gulf Terminal Railway. The cost of construction is estimated at $14 million.

The people of that part of the country have had difficult times in the past. They have always suffered from a lack of transportation facilities. Many requests were made to the Government to correct this situation. The Chambers of Commerce, the municipal councils, the economic planning councils and many other associations have expressed their desire to see a railroad built from Matane to Ste. Anne des Monts.

After having considered the importance of this area the Government has decided to comply favourably with these demands. Indeed, it may be pointed out that this bill is only one of several steps already taken or being implemented for the specific benefit of this area of Quebec, particularly by way of St. Lawrence ferry services and harbour improvements.

This should bring about considerable traffic between the two shores of the St. Lawrence and should accelerate the development of the

Gaspé peninsula. Between Mont Joli and Matane there is a line of about 40 miles in length, and the addition of the new construction will mean that the territory between Mont Joli and Ste. Anne des Monts will be served by a railway for a distance of about 100 miles. More than 100,000 people are directly concerned with the present bill.

This is an economic development project, a railway designed to stimulate the growth and expansion of the entire Gaspé north shore economy. In view of the developmental nature of the project, this bill proposes that the Canadian National Railway Company should construct, maintain, manage and operate the new branch line on behalf of the crown, it being understood that any surplus or deficit arising out of such maintenance and operations will be for the Government's account and kept separate from the C.N.R. system accounts. This is provided for in clauses 1 and 5 of this bill.

By clause 2 of the bill and the schedule to which it refers, the length of line will be approximately 57 miles, and the cost of construction $14 million.

By clause 3 the Governor in Council will be authorized to pay to the company an amount equal to the entire cost of constructing the railway line and acquiring the necessary land, but not exceeding, in any case, the sum of $16,100,000. This amount represents the estimated cost of $14 million, plus 15 per cent for contingencies.

By clause 4 the amount of the payment authorized shall be paid to the company from time to time at the direction of the Governor in Council, upon the report of the Minister of Transport.

By clause 6 the Minister of Transport shall present to Parliament, during the first 30 days of each session held prior to the date of the completion of the railway, a statement showing in detail the nature and extent of the work done under the authority of this act.

With respect to the area to be served by the new railway branch line, it is scarcely necessary to point out that experts who have studied the problems of the lower St. Lawrence district agree that the lack of efficient transportation has severely restricted economic expansion, particularly in the Gaspé north shore region. Despite its great wealth in natural resources, such as forest products and minerals, the Gaspé's north coast can hardly be expected to keep pace with the rapid progress made across the St. Lawrence, in the area of Seven Islands, Port Cartier and Havre St. Pierre, unless its own basic transportation structure is considerably improved.

The residents of Gaspé ask no more than that they be given a fair opportunity to make the most of their skills and resources. These resources may be briefly itemized as forest products, minerals and general merchandise. I do not think it necessary at this time to enter into details of present and potential traffic under these categories of commodities since, if the bill is given second reading, I shall move that it be referred to the Standing Committee on Transport and Communications for detailed study. However, I should like to refer to the importance of year-round through-rail services to the economy of the Gaspé north shore, when it is remembered that the coastal communities have depended entirely on shipping services in and out, and that these services are, unfortunately, restricted to the navigation season.

For the reasons I have already mentioned, I hope that honourable senators will approve this bill. If it is approved, as I say, it will be referred to the committee for further consideration.

Hon. Jean-François Pouliot: Honourable senators, I am very much interested in this kind of legislation, because the province of Quebec has not been "spoiled" with railway lines, and the lines in that province are, on the average, much shorter than those in each of the western provinces, according to population.

The peninsula of Gaspé is a vital part of the province of Quebec. It is the most eastern part of it, and was discovered by Jacques Cartier in 1534. Columbus came to San Salvador in 1492. It was only a few years after that New France was discovered by Frenchmen who took possession of the soil, and since then Gaspé has been the bastion of the province of Quebec, and one of the bastions of eastern Canada, together with Prince Edward Island and Cape Breton—and I will add Newfoundland, now that that province has joined Confederation.

I am interested in the bill and I am ready to support it, provided I have some assurance that the railway will be started and will be completed before December 31, 1964. I ask the sponsor of the bill if he can promise me that.

Hon. Mr. Méthot: Well, I can promise you that the surveying will be done immediately after the snow has melted this spring.

Hon. Mr. Pouliot: After this bill has passed all stages in this house and has received royal assent, when will the work be started by the Canadian National?

Hon. Mr. Méthot: As I said a moment ago, I am informed that they are supposed to

start the surveying immediately it is possible this spring, and the work will be done afterwards.

Hon. Mr. Pouliot: The work will be started next summer, if I understand you correctly.

Then, I shall support the bill, and I shall not be the only one to support it. I have been told that our distinguished colleague, the honourable senator from Gulf (Hon. Mr. Power), has also a word to say about it; but, like me, he wants to have moral certitude that the work will proceed. Otherwise it will not be a railway; it will be a balloon in the air, to try to charm the population at the time of the next federal election. We are serious in this; we want that work to be done, and to be done for the benefit of not only the people directly concerned, but for the benefit of Canada at large.

It would have been a source of revenue for the Canadian National Railways, had the work been done before, but I am not going to elaborate on that. We are passing legislation which is good in itself, and if honourable senators on the other side of the house take it lightly, I shall oppose the bill as frivolous legislation. We have to consider it seriously: if they want to make jokes about it, I shall vote against it; I am perfectly free. But I am ready to support it, provided the work is done, and provided it comes to the rescue and helps the population of Gaspé.

In many ways previous governments have done a lot for Gaspé. This seems to be a good step, provided it is done with real meaning and with a definite purpose. I shall say more than that: I say that sooner or later the Gulf and Terminal Railway will have to be purchased by the Canadian Government, because, under the present circumstances, all the goods that will be carried from the west and from Montreal and Quebec to the east, to Ste Anne des Monts, will have to be conveyed over a line which will be independent and which may be exacting in its relations with the dominion Government.

I was struck by a very able and pertinent question that was put by one of the members, who asked if an understanding had been entered into between the Canadian National Railways and the Gulf and Terminal Railway. The minister's answer was that there was none, but there was supposed to be one. Now, the total cost mentioned by the honourable gentleman who so ably sponsored the bill was $14 million. This is the rough estimate which appears in the schedule to the bill. However, it is not informative enough. We should know what would be paid to the Gulf and Terminal Railway for the right of using their line for the cars which will come from the west. It is my personal knowledge and the knowledge of those in that region, that the Gulf and Terminal railway has been trying to sell its stock to the Government or to the Canadian National Railways for a long time. If we pass this legislation, as will probably happen, they will be in a better position to play the role of Shylock for the pound of flesh. They will say the railway has to be built, that such and such a station has been passed. Some honourable senators have insisted that the work should start soon. Now they will ask a high price for the use of the railway. The attitude on the part of the Canadian National Railways or on the part of the Government was not businesslike. That is unfortunate, and I do not know what they will do. It seems to me that all this should have been definitely settled before any legislation was sponsored in Parliament. Now that I have said that, my conscience is clear.

I welcome this legislation, provided that it takes effect at the earliest possible date—probably next summer. It is my experience that it is very difficult to get new lines built by the Canadian National Railways. I remember distinctly that when the St. Laurent Government had decided to purchase the Temiscouata railroad no less a man than Mr. Gordon went to the Board of Transport Commissioners to complain about the decision of the Government. I found it pretty strong, to use a euphemism, but nevertheless the line was bought, it was repaired, and now gives some very good service and satisfaction to all the people concerned.

I hope that this line will be proceeded with and that it will not stop at Ste. Anne des Monts but will continue to Gaspé in order to have a circular line right around the Gaspé peninsula. Not only that, there should be another line between Ste Anne des Monts and Chaleur Bay, crossing the Gaspé peninsula, which is full of very rich minerals.

An uncle of mine, who was a city engineer, was asked in the days gone by, by the Honourable Rodolphe Lemieux, who was the member for Gaspé, to make a mineral inspection of the Gaspé Peninsula. He visited the whole area and made soundings, and he was the first one to discover oil and various ores such as lead, zinc, etc. which could be most profitable.

It has been mentioned that Ste. Anne des Monts is in front of Seven Islands on the north shore of the Gulf of St. Lawrence. Seven Islands is the harbour from where one goes to Schefferville and to all the new mountain developments of northern Quebec. In the summertime the steamships cross the gulf between those two ports.

After the railway extension is built, the connection between Ste. Anne des Monts and Seven Islands, and the whole north shore and Schefferville where there are huge

mining activities, will mean great development not only locally but for the whole of Canada. It is not only as a citizen of the province of Quebec, but as a Canadian, that I hope a railway will be built to Ste. Anne des Monts in the shortest possible time, that the line will be extended in due course to Gaspé, and that there will be another line which will cross the Gaspé Peninsula between Ste. Anne des Monts and Chaleur Bay, for the benefit of Canada at large.

Hon. C. G. Power: Honourable senators, I was indeed highly gratified to hear the words of my honourable friend from De la Durantaye (Hon. Mr. Pouliot). He of all senators would have reason for being familiar with the territory which is to be covered by this railway. He lives closer to it than any of us, though in fact this area is within the circumscription which I am allotted as a member of the Senate.

For that reason, and many others, it is incumbent upon me to say a few words.

I was struck, as I very often am, by the great political knowledge of my honourable friend from De la Durantaye, which explains his anxiety to have some assurance that this railway is going to be built. I recall, as doubtless does my honourable friend, that railways have always been a sort of election bait not only in our province but in other provinces, and sometimes the results have been good.

I remember well as a boy that the representative of Quebec County was Mr. Charles Fitzpatrick, afterwards Sir Charles Fitzpatrick, Minister of Justice, Chief Justice of Canada, and Lieutenant Governor of the province of Quebec. In his constituency there was almost an understanding that at every election there would be the promise that a railway would be commenced. After many years the railway was built; it is now known as the Quebec and Lake St. John Railway and has opened up the vast territory north of the province of Quebec.

As a young man I took up a sort of crusade to keep the walls of Quebec in repair. I made innumerable speeches in the House of Commons asking that those ancient walls be saved. There was some objection from the Department of National Defence which was charged with the duty of looking after defences of that kind. It was said that to all intents and purposes in modern times these walls were absolutely useless. Nevertheless, I persisted, and there were mischievous tongues—His Honour the Speaker is probably aware of some of them—which said that it was a surprising coincidence that the walls were always repaired just about election time. Perhaps I gave some countenance to that by once pleading that the House of Commons vote more subsidies for the repair of those walls lest they crumble and fall, and my waterfront majority be swept into the St. Lawrence. Be that as it may, these walls have been repaired, and today, notwithstanding the fact that the motivation might not always have been of the purest and in the highest interests of the country, they are a credit to the city of Quebec, and the Dominion of Canada.

Hon. Mr. Macdonald (Brantford): And a credit to the honourable senator from Gulf.

Hon. Mr. Brunt: He is too modest to say so himself.

Hon. Mr. Power: In this case the minister who presented this bill, and my honourable friend who sponsored it in this chamber (Hon. Mr. Méthot), were honest and candid enough to tell us quite frankly that there is no suggestion, for the moment at least, that this railroad will produce enough revenue to pay for the cost of maintenance. It is purely and simply a developmental and expansionist project. May I say, without any endeavour to make remarks that might not be well received, that in that respect it resembles the Saskatchewan dam, the Hudson Bay Railway, and I would even go so far as to say the Chignecto Canal or crossing.

Hon. Mr. Brooks: That has not been built yet.

Hon. Mr. Power: No, but it is on the way—and the Canso Causeway.

Hon. Mr. Brunt: What about the St. Lawrence Seaway?

Hon. Mr. Choquette: And the whole of the C.N.R.

Hon. Mr. Power: All of these were projects for the expansion of the country. I might even go so far as to say that some railway projects built by private enterprise, such as the Arnaud Railway and the Wabush Lake Railway were not intended to be railroads which of themselves would produce sufficient revenue to justify their building, but they do open up vast expanses of territory. The territory in this case is the Gaspé, and it has been neglected, as my honourable friend from De la Durantaye (Hon. Mr. Pouliot) has said, for years and years.

This area is rich in minerals. Noranda is developing a very considerable mine in Murdochville. Mr. Beauchemin of the East Sullivan Mine is developing a mine quite close to it, and there are a number of others. It is my understanding that there are about 75 sawmills in the vicinity, and a considerable wealth of pulpwood and forest products.

I know of my own knowledge that some years ago certain people were interested in the Gaspé Peninsula to the extent that they purchased 200 or 300 miles of limits and some freehold land in the vicinity of Ste. Anne des Monts, but they were obliged to give up their investment at some loss, or at least without any great profit, some years afterwards because there was a lack of communication with the outside world and they would not have been able to operate profitably the sawmills they intended to establish.

This project, honourable senators, when looked at in the light of what has been fairly and squarely presented by the minister and by the honourable sponsor (Hon. Mr. Méthot), is for the expansion and development of a section of the country that needs it, and which deserves to be recognized at last. It is a project that deserves the support of this house.

Hon. G. Percival Burchill: Honourable senators, I know nothing at all about the matter that we are discussing here so far as Quebec is concerned, but I was glad to hear the remarks of the senator from Gulf (Hon. Mr. Power), in which he gave some justification for supporting this measure, because, as a citizen of the province of New Brunswick, I know that in that province the policy of expansion has been reversed. The policy there has been restrictive rather than expansive.

In New Brunswick railroads which will not produce revenues have not been built, and on a great many lines the services have been abandoned. My honourable friend who lives at Fredericton Junction (Hon. Mr. McGrand) cannot now travel on a train to the city of Fredericton, the capital of the province of New Brunswick, because Fredericton has no passenger service. That is an outrage. I look across at my honourable friend from Royal (Hon. Mr. Brooks) and my honourable friend from Saint John-Albert (Hon. Mr. Emerson), and say that nothing like that happened under the previous Government. We in the province of New Brunswick are proud of Fredericton. It is one of the most charming cities of Canada, but today it is without railway passenger service because the Canadian National Railways and the Canadian Pacific Railway Company cannot afford to supply it.

Hon. Mr. Brooks: May I point out to the honourable senator that the building of the Gaspé Railway, which we are now considering, was talked about for some 30 to 40 years, but it is now being built by the present Government.

Hon. Mr. Burchill: I hope there is some good reason for building it.

In spite of the eloquence of the sponsor (Hon. Mr. Méthot) and of the honourable senator from De la Durantaye (Hon. Mr. Pouliot), I was pleased to hear from the honourable senator from Gulf (Hon. Mr. Power) why he feels justified in supporting the bill. I do hope this railway will not meet the same fate as railways in the province of New Brunswick have in the last five years.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Méthot, bill referred to Standing Committee on Banking and Commerce.

PRIVATE BILLS

CANADA SECURITY ASSURANCE COMPANY—SECOND READING

Hon. Mr. Aseltine: Honourable senators, with the consent of the house I would ask that this order be proceeded with ahead of item No. 8 on the Order Paper.

Hon. Senators: Agreed.

Hon. Olive L. Irvine moved the second reading of Bill S-14, respecting Canada Security Assurance Company.

She said: Honourable senators, in moving the second reading of this bill I wish to say that its purpose is to amend the act of incorporation of Canada Security Assurance Company, which firm was incorporated by chapter 85, Statutes of Canada, 1920.

Canada Security Assurance Company is a firm with its head office in the city of Toronto. It has been carrying on the business of fire, automobile and certain other classes of casualty insurance since the time of its incorporation.

The first purpose of the bill is to increase the authorized capital of the company from $1 million to $2 million. I might add here that the present paid-up capital is $750,000.

Secondly, the bill repeals section 5 of the act of incorporation and substitutes a new section which contains an expanded list of types or classes of insurance which may hereafter be carried on by the company. Originally the company was entitled to carry on the business of fire and automobile insurance, together with eight other classes. The bill adds an additional sixteen classes of insurance that may in future be transacted by the company.

Furthermore, subsections (1), (2) and (3) of section 6 of the incorporating statute are repealed and other provisions substituted therefor. These subsections deal with the question of the right of the company to engage in additional classes of insurance depending, however, upon certain additions to be made in paid-up capital in regard to various classes. For instance, section 6 (1)

provides that when the paid-up capital is at least $750,000 the company may transact certain classes of insurance.

Subsection (2) provides that the company shall not commence business in certain other classes of insurance which are authorized by section 5 until certain amounts as set out in the subsection are added to the paid-up capital and surplus.

Then, there is a final provision of subsection (3) to the effect that, notwithstanding the provisions of subsection (2) requiring these specific amounts to be paid in, the company is authorized to transact all the classes of insurance referred to in section 5 when the paid-up capital and surplus amounts to at least $1 million.

If second reading is given to this bill, I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Roebuck: May I compliment the honourable senator on the clarity with which she has explained this bill. I understood her to say that the authorized capital of the company is now $1 million, but I see in the explanatory notes that the present authorized capital of the company is $500,000 and may be increased to $1 million. Has the authorized capital been so increased?

Hon. Mrs. Irvine: I am unaware of that, but I am certain that this matter will be fully covered when the bill is in committee.

Hon. Mr. Roebuck: Thank you.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Irvine, bill referred to the Standing Committee on Banking and Commerce.

POLARIS PIPE LINES—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-13, to incorporate Polaris Pipe Lines.

He said: Honourable senators, the purpose of this bill is to incorporate a pipe line company for the transport of natural gas from parts of western Canada to markets in the United States.

It is intended that the project will be a large diameter natural gas pipe line which will originate in the gradually-developing gas reserve areas of northeastern British Columbia, and terminate at the United States-Canadian boundary near Estevan, Saskatchewan. At this point the gas will become available for eventual delivery to the markets of the mid-west United States.

There are five persons named as applicants for incorporation of the company, three of them being executives of gas companies residing in the province of Alberta, all Canadian citizens, and two of them being lawyers in the city of Ottawa.

As is the case with all Canadian pipe line corporations, the bill provides that the majority of the directors of the company shall at all times be persons resident in Canada and Canadian citizens.

The capital stock of the company is to consist of: (a) 10 million common shares without nominal or par value; and, (b) 500,000 preferred shares of the par value of $100 per share.

The head office of the company is to be at the city of Calgary in the province of Alberta.

In regard to the powers of the company, these are stipulated to be subject to all the limitations, liabilities and provisions of the National Energy Board Act and any other general legislation related to pipe lines enacted by Parliament.

The remainder of the bill contains pretty much the usual provisions required in an act to incorporate a pipe line company, namely, it gives the company power to construct, purchase, lease or otherwise acquire and operate a pipe line for the gathering, transmitting, transporting, etc. of gases, oil and related substances.

As I mentioned before, it is intended that the pipe line in question will originate in the vicinity of Fort Nelson in northeastern British Columbia, and travel for a distance of approximately 1,200 miles before reaching the Canadian-United States border. Consequently, you will observe that the proposed pipe line will travel diagonally from northwest to southeast, across part of the northeast corner of the province of British Columbia, across all of Alberta, and also diagonally across part of Saskatchewan.

It is to be a 36-inch pipe line, and the cost of the development is estimated to be in the range of $400 million.

As is well known, the Trans-Canada pipe line system originates at the Alberta-Saskatchewan border, whereas the origin of the proposed pipe line is approximately 700 miles to the northwest, namely in the vicinity of Fort Nelson in British Columbia.

As honourable senators are aware, there are three main gas exporting pipe line systems currently in operation in Canada: firstly, Trans-Canada Pipe Lines, originating at the Alberta-Saskatchewan border, which exports natural gas to the mid-western American market; secondly, the West Coast Transmission Company Limited, which originates in the Fort St. John area of British Columbia and transports gas to the British Columbia coastal area and thence south for export at

the Canadian-United States boundary; thirdly, the Alberta and Southern Gas Company Limited operation, which exports gas from western Canada to California.

At this point I should mention that Canadian natural gas reserves have in the past few years been increasing at a very high rate, and it has become evident that unless new and substantial markets are developed, the gas industry may curtail its exploration and development activity in western Canada.

Who are the members of the sponsoring group of the Polaris Pipe Lines project? They are mainly officials of a firm operating in western Canada under the name of Canadian Industrial Gas Limited, together with various personnel of its affiliates and associates. They represent, as I am informed, an experienced and knowledgeable group of Canadians who have been actively engaged in the Canadian natural gas industry virtually since its inception.

As is well known, the natural gas industry in Canada is young—indeed, not over 10 years old. Consequently, there exist in this country very few persons who have all the qualities which are required to initiate, sponsor and develop a project of this type and magnitude.

More will be said, of course, about the sponsoring group when this bill is before committee. However, just a few words in regard to the magnitude of this development. It is expected that the daily capacity of the pipe line will be between 750 million and 950 million cubic feet per day. It will require the purchase of approximately 10 trillion cubic feet in natural gas reserves within the next five to seven years.

The cost of exploration, development, processing and gathering will total several hundreds of millions of dollars. Long-term gas purchase contracts over a 25-year period will be in excess of many hundreds of millions of dollars.

I am informed by the sponsors that approaches have been made by their groups to most of the producers who are carrying out, or plan to carry out, the extensive exploration and development programs to prove up such large reserves.

The long-range aspects are recognized, and the general consensus so far has been that a project of this magnitude must be initiated several years in advance of estimated completion dates to ensure that reserves in deliverable quantities are available when other presently used reserves are depleted and become insufficient to serve market growth.

Another point which should be observed in regard to a project such as this is that it will provide a very great incentive to continued exploration and development of the oil resources of the far north. The publication entitled, "Schedule of Wells, N.W.T. and Yukon Territory," published by the Department of Northern Affairs, 1920-1960, shows a total of 207 wells drilled and 273 structures test holes completed. It seems essential, therefore, to provide possibilities of markets for these outlying areas where independent companies may acquire acreage to explore and develop. This proposed project should provide this and greatly stimulate far northern activities.

It should also be noted that with the establishment of the National Energy Board, all necessary protection by regulation is now assured to the public of Canada with regard to Canadian requirements, namely, gas reserve development, line exploration and routing, tariffs and rates of return, as well as methods of financing and Canadian ownership participation. In other words, the incorporation of a pipe line company in Canada today is merely the beginning of a venture in the transportation of oil or natural gas. The various other factors which I have referred to are now placed in the hands of the National Energy Board.

In regard to the present interest in production of petroleum and natural gas in northeastern British Columbia, no less than 19 of the largest companies on this continent are interested and are actual or potential producers in the area, either individually or as joint venturers. Furthermore, in the Northwest Territories and the Yukon, 17 large companies are represented in the producing role.

It might also be mentioned—indeed it is a matter of some importance—that the quality of the gas in the northerly areas is less complex than that to the south, and therefore requires less costly processing facilities and does not present problems of marketing high sulphur or by-product content.

Furthermore, I am informed that although there is a continuing and widespread exploration activity in these northern areas, nevertheless, several of the companies have indicated that they do not wish to accelerate or increase development projects until there is a definite indication of a pipe line project of the type and size envisaged by the Polaris Pipe Lines project, because they do not consider present pipe line outlets will provide sufficient additional markets to justify such expenditures for many years to come.

What about gas reserves in the areas that I have referred to? Natural gas reserves estimates by producer company geologists and independent consultants range from 30 trillion to 80 trillion cubic feet of reserves

for the far northern area of British Columbia alone, and the potential of the Northwest Territories and northern Alberta is suggested to be as many trillions more.

In its "First Report", dated October 1958, the Royal Commission on Energy stated:

> The evidence suggests that it is reasonable to anticipate under favourable economic conditions, an ultimate discovery of some 300 trillion cubic feet of natural gas in the western Canada sedimentary basin.

I might observe that since the time of this report, considerable exploration and development has occurred in western Canada, which strongly supports the commission's figures.

With regard to markets, in a report issued in January 1962 by the Department of Northern Affairs and National Resources, and entitled "Economics of Oil and Gas Development in Northern Canada", the author, Dr. G. David Quirin, deals in chapter 7 with "Markets for Northern Gas", and points out that "market growth in North America is also expected to continue"; and in Table 59 he compares the total annual marketed production for 1950 of 13,463.4 trillion cubic feet with annual estimated totals of 15,787 trillion cubic feet in 1965, 19,123 trillion cubic feet in 1970, 23,477 trillion in 1975, and 28,701 trillion in 1980. That, of course, represents the consumption on the North American continent.

The Hon. the Speaker: Let us remain within the scope of the bill, and not go too far afield.

Hon. Mr. Thorvaldson: I think all these matters, honourable senators, are quite within the scope of the bill because I believe they are basic to the question of whether it should pass this house.

Hon. Mr. Roebuck: And they are very interesting.

Hon. Mr. Thorvaldson: Now, in Table 60 Dr. Quirin sets out the "Life Index of U.S. Gas Reserves 1950-1960", which confirms the future need for additional sources of gas reserves outside of the United States if the natural gas industry is only to maintain its share of the total energy market, let alone continue to expand. With reference to Table 59, "Natural Gas Reserves and Marketed Production North America, 1959", the author remarks:

> Table 59 shows that Area 2, Western Canada, is the only area on the continent having, at the present time, gas reserves substantially in excess of those required to provide for the normal growth of existing markets.

It should be clear that a difficult problem may exist in regard to the exact timing of a new natural gas market entry from Canada into the United States. That will depend on the rates of market growth as well as the rates of depletion and discovery of U.S. gas reserves. However, in view of the past histories of formations and completions of other large pipe line projects, it is certain that at least five years will be required to develop and bring this project into operation, once it has obtained a corporate status. In other words, this project would not likely be shipping gas into the United States prior to the year 1967.

Let me say a word or two about capital cost and financing. Preliminary studies indicate that a 1200-mile 36-inch diameter pipe line from the Fort Nelson area of northern British Columbia to a delivery point on the international boundary in the vicinity of Estevan, Saskatchewan, would require a capital expenditure in the order of $400 million. It should also be emphasized that this project, unlike its predecessors, is in a position to purchase within Canada all its Canadian pipe requirements, estimated at approximately $170 million. I am informed that it is the intent of the sponsors that purchases will be made in Canada of Canadian material and equipment whenever available and suitable. It is also their intention to employ Canadian personnel and services to the fullest extent that these are qualified and available.

Hon. Mr. Roebuck: Are they going to give us a guarantee to that effect?

Hon. Mr. Thorvaldson: I am afraid that might not be easy to do.

It should be clear to us all that very considerable benefits accrue to the communities through which a pipe line is constructed, both by way of employment, the purchase of materials and rights-of-way, and, not least, the assessment and taxes paid to municipalities which a project like this traverses.

In regard to financing, it may be observed from the bill that provision is made for a large amount of equity capital which will, of course, combine with debt capital in the ultimate financing of the project.

I am aware of the fact that a great deal more needs to be said in regard to this bill before it is finally passed in this house. As honourable senators are well aware, if the bill receives second reading here, a motion will be made to refer it for further close scrutiny to the Standing Committee on Transport and Communications, before which committee the applicants for incorporation and any other persons who may wish to be heard may present their views on it.

Hon. William R. Brunt: Honourable senators, I do not intend to detain the house very

long, but I do not believe the sponsor (Hon. Mr. Thorvaldson) told us whether or not in the financing of this company it will be ultimately controlled by Canadians or by foreigners. I would hope that when the bill is considered by the committee he would make this information available to us, for I think it most important that we know.

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman, what difference would it make whether the capital were provided in Canada or from abroad?

Hon. Mr. Brunt: If control were to rest in a foreign country, this would be another natural resource controlled by foreigners. I would like to have that information before I decide to support the bill.

Hon. Mr. Macdonald (Brantford): Do I understand that you would not support the bill?

Hon. Mr. Brunt: I am not saying that. I am saying I would like the information before I definitely make up my mind.

The honourable senator made the point that this pipe line is going to operate exclusively within Canada, it is not going to carry on operations of any kind outside of Canada. Such being the case, I am wondering why the sponsors have asked, under clause 4 (1), for the right to establish offices outside of Canada. If this is a Canadian company operating entirely within Canada I can see no necessity for granting this power. There may well be a good explanation for this, but I would like to have that given in committee.

There are other provisions in the bill about which I would like to hear more, and I am sure that when it is before the appropriate committee the sponsor will see that additional information is given to us.

While some of us in the Senate may be critical of certain parts of the bill, I do think it is our duty, in the final analysis, to pass it, because we have in this country the National Energy Board which I am sure is quite capable of adequately and properly controlling the operations of the company.

Hon. Mr. Pratt: May I ask a question of the honourable senator who introduced the bill (Hon. Mr. Thorvaldson)? Is it a fact that exploratory work has been done to the extent that the sponsors are sure of being justified in proceeding with this pipe line, or is it that after incorporation of the company and actual construction has started on the line, that further construction will depend on further exploration work?

Hon. Mr. Thorvaldson: Is the honourable senator referring to the question of the availability of gas reserves, or to something else?

Hon. Mr. Pratt: The availability of gas reserves to this projected operation.

Hon. Mr. Thorvaldson: I understand the sponsors are satisfied as to the availability of gas reserves in the area where the pipe line is intended to begin, namely, in the northeastern part of British Columbia. Indeed, I think I made the remark in my speech that the estimated reserves in northern British Columbia alone were between 30 trillion and 80 trillion cubic feet.

Naturally, a lot of particulars will be required, and should properly be given to this house, in regard to the sponsors and their plans for financing, and so on; but I believe it would be more appropriate to have such information given in committee. Similarly, in regard to the references made to this matter by the honourable senator from Hanover (Hon. Mr. Brunt), regarding financing and offices outside of Canada, it would probably be best to supply that information in committee.

Hon. Mr. Macdonald (Brantford): You do not have the information now?

Hon. Mr. Thorvaldson: No.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Transportation and Communications.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-103, for the relief of Giuseppe de Cristoforo.

Bill SD-104, for the relief of Wilfrid Giroux.

Bill SD-105, for the relief of Anne-Marie Somlo.

Bill SD-106, for the relief of Margaret Ellynore Abbott.

Bill SD-107, for the relief of Madge Estelle Pinkerton.

Bill SD-108, for the relief of Angus McIntosh.

Bill SD-109, for the relief of Mary Margaret Morelli.

Bill SD-110, for the relief of Linnea Erna Barbara Walker.

Bill SD-111, for the relief of Joan Marjorie Gregor-Pearse.

Bill SD-112, for the relief of Jean Guy Prud'homme.

Bill SD-113, for the relief of Aline Helene Smith.

Bill SD-114, for the relief of Marie Aleta Meerovitch.

Bill SD-115, for the relief of Beverley Hayden Crerar.

Bill SD-116, for the relief of Brigitte Dophide.

Bill SD-117, for the relief of Constance Valerie Laurie.

Bill SD-118, for the relief of Robert Harrison.

Bill SD-119, for the relief of Marketa Tata.

Bill SD-120, for the relief of Margaret Anna Kenwood.

Bill SD-121, for the relief of Robert Charles Chapman.

Bill SD-122, for the relief of Rose Duval.

Bill SD-123, for the relief of Louise Doyle.

Bill SD-124, for the relief of Sandra Elizabeth McVety.

Bill SD-125, for the relief of Jean Bernard L'Heureux.

Bill SD-126, for the relief of Mildred Kligman.

Bill SD-127, for the relief of Lucille Goresky.

Bill SD-128, for the relief of Ivy Elizabeth Sherry.

Bill SD-129, for the relief of Haidy Amalie Madelaine Jack.

Bill SD-130, for the relief of Florence Patricia Da Silva.

Bill SD-131, for the relief of Nancy Ruth Grabina.

Bill SD-132, for the relief of Paul Aime Bedard.

Bill SD-133, for the relief of Edward Sidney Mansfield.

Bill SD-134, for the relief of Harry Hyman.

Bill SD-135, for the relief of Patricia Rose Rankin.

Bill SD-136, for the relief of Marsha Liberman.

Bill SD-137, for the relief of Elizabeth Lillian Small.

Bill SD-138, for the relief of Catherine Mildred Gray.

Bill SD-139, for the relief of Klara Brody.

Bill SD-140, for the relief of Rene Hebert.

Bill SD-141, for the relief of Abie Herscovitch, otherwise known as Allan Herscovitch.

Bill SD-142, for the relief of Rosaire Gauthier.

Motion agreed to and bills read second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 151 to 165, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned until Tuesday, March 20, at 8 p.m.

APPENDIX "A"

(See p. 329)

Thursday, March 15th, 1962

The Standing Committee on Internal Economy and Contingent Accounts make their second Report, as follows:—

1. Your Committee have in obedience to the order of reference of March 14th, 1962, considered the following report of the Civil Service Commission:—

CIVIL SERVICE COMMISSION
CANADA

March 5, 1962.

To The Honourable The Members of the Senate

The Civil Service Commission has the honour to submit the following report:

Pursuant to the provisions of Sections 60 and 61 of the Civil Service Act, the Civil Service Commission seeks approval for the exclusion of position LP-A-30 from the operation of Section 12 of the Act, to provide for the promotion of Miss Yvette D. Chevrier as Cataloguing Librarian 1 at $4560 per annum, the third rate in the class range, effective January 3, 1961. At the time of Miss Chevrier's promotion, $4560 per annum was the recruiting rate in effect for the Librarian 1, which carries the same salary range as Cataloguing Librarian 1. It is considered that in all other respects this position should be subject to the provisions of the Civil Service Act.

Respectfully submitted,
Sam Hughes,
Chairman
Ruth E. Addison,
Commissioner

Mark R. Drouin,
Speaker of The Senate.

2. Your Committee recommend that the said Report be approved.

All of which is respectfully submitted.

W. R. Brunt,
Chairman.

APPENDIX "B"

(See p. 330)

Thursday, March 15, 1962

The Standing Committee on Internal Economy and Contingent Accounts make their third report, as follows:

1. Your Committee have in obedience to the order of reference of February 27th, 1962, considered the following report of the Civil Service Commission:

CIVIL SERVICE COMMISSION
CANADA

February 21, 1962.

To the Honourable the Members of the Senate

The Civil Service Commission has the honour to submit the following report:

In accordance with the provisions of Sections 11 and 62 of the Civil Service Act, it is recommended that the rates of compensation for each of the classes listed hereunder be revised to the rates indicated immediately thereunder, effective July 1, 1961, subject to the following provisions:

1. That the rate of pay shall be determined as follows:

(a) Each employee in the classes specified shall be paid at the salary rate shown immediately below the salary rate at which he was being paid on the effective date, or, if appointed after the effective date, the salary rate shown immediately below the salary rate at which he was being paid on the date of appointment.

(b) An employee who is promoted in any of the classes concerned with effect on or prior to the effective date shall be considered for pay purposes as having been paid at a rate of pay determined in accordance with the Civil Service Act and Regulations.

(c) Except as provided in subsection (d), the present increase date of employees shall not be affected by this order and an employee shall retain any benefits to which he would otherwise be eligible under the terms of Order in Council of April 30, 1946, P.C. 23/1700, as amended.

(d) For the purpose of calculating a due date for salary increase for an employee who is paid at a lesser rate where more than one rate in the present range are revised to a common rate in the new range the effective date of the revision shall be regarded as the date of last increase.

2. That the increase shall be paid on the above basis in respect of the period commencing on and after the effective date to:

(a) An employee on strength on the date of approval provided, however, that an employee may receive the benefit of Section 1 only once.

(b) A former employee whose services had been terminated during the said period because of: (i) lay-off, (ii) retirement, or (iii) release of the employee for a reason that, in the opinion of the appropriate deputy head, was beyond the control of the employee.

(c) The estate of a former employee who has died during the said period.

3. That no change shall be made as a result of this revision in the salary or other remuneration of any person employed under the provisions of section 39 of the Civil Service Act.

4. That this revision does not affect any order by virtue of which a terminable allowance is paid.

Cataloguing Librarian 1
Reference Librarian 1

From:	4200	4380	4560	4740	4920
To:	4560	4740	4920	5160	

Cataloguing Librarian 2
Reference Librarian 2

From:	5160	5400	5640	5880
To:	5160	5400	5640	5940

Cataloguing Librarian 3
Reference Librarian 3

From:	5700	5940	6180	6420
To:	5700	5940	6240	6540

To apply to present incumbents

5640	5940	6240	6540

To apply to future appointments

Reference Librarian 4

From:	6180	6420	6660	6900
To:	6240	6540	6840	7140

Reference Librarian 5
Chief Cataloguing Librarian

From:	6540	6840	7140	7500
To:	7140	7500	7860	8220

Chief Reference Librarian

From:	7620	7980	8340	8700
To:	8220	8580	8940	9300

Assistant Librarian, English, Library of Parliament
Assistant Librarian, French, Library of Parliament

From:	8120	8540	8960	9380	9800
To:	8760	9120	9480	9880	10300

Respectfully submitted,

Mark R. Drouin
Speaker of the Senate

Ruth A. Addison
Commissioner

2. Your Committee recommend that the said report be approved.

All of which is respectfully submitted.

W. R. Brunt,
Chairman.

THE SENATE

Tuesday, March 20, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Further Supplementary Estimates (4) for the fiscal year ending March 31, 1962.

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 14, 1962, pursuant to section 7 of the Regulations Act, chapter 225, R.S.C. 1952. (English and French texts).

Order in Council P.C.1962-316, dated March 8, 1962, authorizing a revision in payment terms originally approved by Order in Council P.C.1959-746, dated June 11, 1959, made under section 21 of the Export Credits Insurance Act, whereby the Export Credits Insurance Corporation insured the sale by Canadair Limited, Montreal, of ten aircraft to The Flying Tiger Line Inc. of Burbank, California, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

Order in Council P.C.1962-338, dated March 13, 1962, authorizing under section 21A of the Export Credits Insurance Act, long-term financing by the Export Credits Insurance Corporation for the sale by General Motors Diesel Limited, London, Ontario, in respect of the Canadian content of 56 diesel electric locomotives and spare parts to Rede Ferroviaria Federal S.A., Rio de Janeiro, Brazil, pursuant to section 21B of the said act, chapter 105, R.S.C. 1952, as amended 1960-61. (English text).

Report of the Canadian National Railways for the year ended December 31, 1961, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report to Parliament of the Auditor on the accounts of the Canadian National Railway system for the year ended December 31, 1961, pursuant to section 40 of the Canadian National Railways Act, chapter 29, Statutes of Canada, 1955. (English and French texts).

Report of Trans-Canada Air Lines for the year ended December 31, 1961, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C. 1952. (English and French texts).

Report to Parliament of the Auditor on the accounts of Trans-Canada Air Lines for the year ended December 31, 1961, pursuant to section 29 of the Trans-Canada Air Lines Act, chapter 268, R.S.C. 1952. (English and French texts).

Report of the Canadian National Railways Securities Trust for the year ended December 31, 1961, pursuant to section 17 of the Canadian National Railways Capital Revision Act, chapter 311, R.S.C. 1952. (English and French texts).

PRIVATE BILLS

THE UNITED CHURCH OF CANADA—FIRST READING

Hon. George S. White presented Bill S-16, respecting The United Church of Canada.

Bill read first time.

Hon. Mr. White moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADIAN PACIFIC RAILWAY COMPANY—FIRST READING

Hon. Paul H. Bouffard presented Bill S-17, respecting the Canadian Pacific Railway Company and certain wholly owned subsidiaries.

Bill read first time.

Hon. Mr. Bouffard moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

GREYMAC MORTGAGE CORPORATION—FIRST READING

Hon. John J. Connolly presented Bill S-18, to incorporate Greymac Mortgage Corporation.

Bill read first time.

Hon. Mr. Connolly (Ottawa West) moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-143, for the relief of Gerhard Hermann Buchholz.

Bill SD-144, for the relief of Joseph Fortin Decelles.

Bill SD-145, for the relief of Guy Bertrand.

Bill SD-146, for the relief of Dorothy Hazel Neila Beausoleil.

Bill SD-147, for the relief of Dorothy Estelle Lord.

Bill SD-148, for the relief of Claire Bradford.

Bill SD-149, for the relief of Leonard Marchand, otherwise known as Leonard Mihalcean.

Bill SD-150, for the relief of Olga Antonina Burkousky.

Bill SD-151, for the relief of Sheila Wolofsky.

Bill SD-152, for the relief of Geraldine Cecilia Gohier.

Bill SD-153, for the relief of Jean Helen Dennan.

Bill SD-154, for the relief of Michele Breuer.

Bill SD-155, for the relief of Magella Bergeron.

Bill SD-156, for the relief of Wilhelmina Grundy.

Bill SD-157, for the relief of Lillian Florence Catherine Hurst.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

BANKING AND COMMERCE COMMITTEE

CHANGE IN MEMBERSHIP

Hon. George S. White, with leave of the Senate, moved:

> That the name of the Honourable Senator Pearson be added to the list of senators serving on the Standing Committee on Banking and Commerce.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

BILL TO AMEND—THIRD READING

Hon. Arthur M. Pearson moved the third reading of Bill C-73, to amend the Farm Improvement Loans Act.

Motion agreed to and bill read third time and passed.

FISHERIES IMPROVEMENT LOANS ACT

BILL TO AMEND—THIRD READING

Hon. John G. Higgins moved the third reading of Bill C-74, to amend the Fisheries Improvement Loans Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-103, for the relief of Giuseppe de Cristoforo.

Bill SD-104, for the relief of Wilfrid Giroux.

Bill SD-105, for the relief of Anne-Marie Somlo.

Bill SD-106, for the relief of Margaret Ellynore Abbott.

Bill SD-107, for the relief of Madge Estelle Pinkerton.

Bill SD-108, for the relief of Angus McIntosh.

Bill SD-109, for the relief of Mary Margaret Morelli.

Bill SD-110, for the relief of Linnea Erna Barbara Walker.

Bill SD-111, for the relief of Joan Marjorie Gregor-Pearse.

Bill SD-112, for the relief of Jean Guy Prud'homme.

Bill SD-113, for the relief of Aline Helene Smith.

Bill SD-114, for the relief of Marie Aleta Meerovitch.

Bill SD-115, for the relief of Beverley Hayden Crerar.

Bill SD-116, for the relief of Brigitte Dophide.

Bill SD-117, for the relief of Constance Valerie Laurie.

Bill SD-118, for the relief of Robert Harrison.

Bill SD-119, for the relief of Marketa Tata.

Bill SD-120, for the relief of Margaret Anna Kenwood.

Bill SD-121, for the relief of Robert Charles Chapman.

Bill SD-122, for the relief of Rose Duval.

Bill SD-123, for the relief of Louise Doyle.

Bill SD-124, for the relief of Sandra Elizabeth McVety.

Bill SD-125, for the relief of Jean Bernard L'Heureux.

Bill SD-126, for the relief of Mildred Kligman.

Bill SD-127, for the relief of Lucille Goresky.

Bill SD-128, for the relief of Ivy Elizabeth Sherry.

Bill SD-129, for the relief of Haidy Amalie Madelaine Jack.

Bill SD-130, for the relief of Florence Patricia Da Silva.

Bill SD-131, for the relief of Nancy Ruth Grabina.

Bill SD-132, for the relief of Paul Aime Bedard.

Bill SD-133, for the relief of Edward Sidney Mansfield.

Bill SD-134, for the relief of Harry Hyman.

Bill SD-135, for the relief of Patricia Rose Rankin.

Bill SD-136, for the relief of Marsha Liberman.

Bill SD-137, for the relief of Elizabeth Lillian Small.

Bill SD-138, for the relief of Catherine Mildred Gray.

Bill SD-139, for the relief of Klara Brody.

Bill SD-140, for the relief of Rene Hebert.

Bill SD-141, for the relief of Abie Herscovitch, otherwise known as Allan Herscovitch.

Bill SD-142, for the relief of Rosaire Gauthier.

Motion agreed to and bills read third time and passed, on division.

PRIVATE BILL

THE CANADIAN INDEMNITY COMPANY AND THE CANADIAN FIRE INSURANCE COMPANY—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-15, respecting The Canadian Indemnity Company and the Canadian Fire Insurance Company.

He said: Honourable senators, this bill provides for the amalgamation of two insurance companies, The Canadian Indemnity Company and the Canadian Fire Insurance Company, each of which has its head office in the city of Winnipeg. The amalgamation is being made under the provisions of section 108 of the Canadian and British Insurance Companies Act, by virtue of an agreement between the two companies entered into on July 26, 1961.

The bill, as well as effecting an amalgamation, would also create a new corporation, referred to as "the continuing corporation", under the name of The Canadian Indemnity Company, and, in French, L'Indemnité Compagnie Canadienne. The continuing corporation is to have all the powers of the predecessor corporations and is entitled to carry on the combined businesses of the predecessor corporations and may transact the business of insurance in all its forms and branches, except that of life insurance. The continuing corporation will, of course, also possess all the property and assets of the predecessor corporations and will be subject to all their contracts and liabilities.

The two predecessor companies are among the oldest fire and casualty insurance companies in western Canada. The Canadian Fire Insurance Company was incorporated as a provincial company and started business in 1895, and secured a dominion charter in 1897. The Canadian Indemnity Company was incorporated and commenced business in 1912. The amalgamation itself has presented comparatively few problems of any great difficulty, for the reason that practically all the shares of both companies are owned by one owner, a corporation, namely, United Canadian Shares Limited. These are, in fact, sister companies and have always operated in the same office and pretty much by the same staffs.

The authorized share capital of The Canadian Indemnity Company is $1 million, divided into 100,000 shares of a par value of $10 each, of which there are 50,000 issued and outstanding as fully paid. The authorized capital of the Canadian Fire Insurance Company is also $1 million, divided into 100,000 shares of the par value of $10 each, all of which are presently issued and outstanding as fully paid. The authorized capital of the continuing corporation is $5 million divided into 500,000 shares of a par value of $10 each.

The consideration being paid in regard to amalgamation is by the issue of shares in the continuing corporation for the outstanding shares in the predecessor companies. The number of shares being issued by the continuing corporation for the shares of the predecessor corporations is 150,000. The basis of amalgamation will, therefore, be three-quarters of a share of stock in the new company for every share outstanding in the Canadian Fire Insurance Company, and one and one-half shares of stock in the new company for every share outstanding in The Canadian Indemnity Company.

As I mentioned earlier, the amalgamation is being effected under the terms of an agreement made between the two predecessor companies and dated July 26, 1961. This agreement was entered into subject, of course, to final ratification by the enactment of this bill approving the terms of the agreement and incorporating the continuing corporation.

I mentioned at the outset of these remarks that the two predecessor corporations are two of the oldest fire and casualty insurance companies doing business in western Canada. Their size may be judged from the fact that, although the capitalization appears quite modest, their gross premium income for the year 1961 was more than $17 million.

For the information of honourable senators, I might observe that the head office of both predecessor companies is in the city of

Winnipeg. As early as 1898 the Canadian Fire Insurance Company, which is the older, extended its operations to the Maritime provinces, to Newfoundland and to British Columbia, and in 1899 had established a branch office in Toronto. I make these remarks to indicate that some of our insurance companies in western Canada started to expand to other parts of Canada, and indeed to other parts of the world, many years ago.

In 1926, this company entered the United States market and proceeded to build up a very considerable business in the states of California, Washington and Oregon, and later secured a licence and commenced to do business in Alaska. During the last decade this company extended its activities further afield, and at the present time it is licensed in eight provinces of Canada and in twenty-two states of the United States of America. The United States head office of the company is located in Los Angeles, California.

The Canadian Indemnity Company also carries on business throughout Canada and as well in nearly half of the states of the United States of America.

Considering the fact that the ownership of these companies is the same, and they carry on business side by side, the advantages of amalgamation are deemed to be as follows: (1) The elimination of duplicate licence fees and duplicate accounting systems, savings in stationery, policy forms, printing and so forth; (2) competitive advantages in having one larger company; (3) greater freedom to operate in the United States; (4) more impact on advertising as a result of stressing one name instead of two.

In closing these remarks I would like to add—and I am sure the western senators are aware of the facts to which I shall refer—that the two predecessor companies have for practically two generations been an important factor in the business and commercial life of the city of Winnipeg, and their ownership has rested with people and families who have an enviable record of distinguished service in the community of Winnipeg and indeed in western Canada.

Honourable senators, if this bill receives second reading, I shall propose that it be referred to the Standing Committee on Banking and Commerce where I am sure any information that may be required by honourable senators will be given.

Hon. A. K. Hugessen: Honourable senators, this is quite an interesting bill from the point of view of a practising lawyer. I see that the amalgamation is to take place under the provisions of section 108 of the Canadian and British Insurance Companies Act. I am not aware of any previous occasion upon which that section has been made use of, but there may be some cases. In my 25 years in this house I do not remember any case in which there has been a bill of similar character; so, perhaps we are breaking new ground.

I take it that my honourable friend will obtain the opinion of our Law Clerk as to whether all the necessary formalities have been complied with in order that section 108 may properly apply under the circumstances.

I notice also that the schedule to the bill—which is the agreement that the bill seeks to sanction—provides, in section 16, that the agreement shall be submitted for the sanction of the Treasury Board of the Government of Canada and, apparently, that is to be done before the bill is introduced in Parliament.

May I ask my honourable friend if the sanction of the Treasury Board has been obtained?

Hon. Mr. Thorvaldson: Yes, I believe so.

Hon. Mr. Hugessen: If my honourable friend will look at sections 16 and 17, apparently the approval of the Treasury Board is a prerequisite to the bill being introduced. Of course he will have to satisfy our legal department that that has been done.

I further assume that the matter has been discussed and cleared with the Superintendent of Insurance. Perhaps it would be an advantage, when the bill is before the committee, to have the Superintendent of Insurance present to give us his views on the bill. As honourable senators know, we pay a great deal of attention to the views which he expresses in matters relating to insurance companies.

Hon. Mr. Thorvaldson: In reply to my honourable friend for Inkerman (Hon. Mr. Hugessen), may I say that his remarks are a good indication of the shrewdness with which he has followed the proceedings in this house since he has been a member of it, for he is quite right in saying that this is the first time an amalgamation has taken place in the manner in which it has been done here. I must say that I am quite amazed that my honourable friend was able to pick out that fact so quickly.

Further, I may say that the various factors of this amalgamation have been worked out in great detail by Winnipeg counsel for the company, and its officers and accountants, with Mr. MacGregor, the Superintendent of Insurance, and other officials of his department.

As I said, it is quite true that this is the first occasion upon which an amalgamation

has been effected in this manner, and of course the bill will now go to committee where it will be further explained.

Hon. John G. Higgins: I notice that section 8 of the schedule states:

> The assets of each of the predecessor corporations and the liabilities to which the same are subject are as particularly set forth in their respective balance sheets as of December 31, 1960...

What will be the position with respect to the assets and liabilities, if a change has taken place since December 31, 1960?

Hon. Mr. Thorvaldson: The honourable senator from St. John's East (Hon. Mr. Higgins) has asked a very good question. Of course, it is true that in the period of a year there might be changes in the assets of each of these companies, but since the ownership of these two companies is identical, that is, within a fraction of 1 per cent, it really makes no difference in regard to the continuing corporation whether or not there has been any change in these assets since the time of the publication of the last balance sheet prior to the agreement of July 26, 1961.

Hon. Mr. Hugessen: I suppose the reason for the selection of the date, December 31, 1960, in the section to which my honourable friend has referred, is because the agreement itself is dated July 26, 1961, and that the last available balance sheet at that date was as of December 31 preceding.

Hon. Mr. Brunt: Honourable senators, there is only one feature of this bill that concerns me. I have looked into the agreement rather hurriedly, and I cannot find in it any clause which will protect all the employees of both companies. My understanding is that in an amalgamation such as this, provision is usually made for all the employees of both companies, in order to protect them in their present positions.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to Standing Committee on Banking and Commerce.

INTERNAL ECONOMY

REPORTS OF COMMITTEE

The Senate proceeded to consideration of the second and third reports of the Standing Committee on Internal Economy and Contingent Accounts.

SECOND REPORT APPROVED

Hon. William R. Brunt, Chairman of the committee, moved that the second report of the committee be approved.

He said: Honourable senators, this report, which relates to an employee of the Library of Parliament, recommends the approval of the report of the Civil Service Commission providing for an adjustment in the salary of Miss Yvette D. Chevrier from $4,380 to $4,560 per annum, in order to bring it into line with the salary rate of Cataloguing Librarians 1, who commenced employment at a later date and at an annual salary of $4,560. The purpose of this civil service report is to correct an injustice caused by the commission's decision to recruit librarians at the higher rate of $4,560 per annum.

Report approved.

THIRD REPORT APPROVED

Hon. Mr. Brunt moved that the third report of the committee be approved.

He said: Honourable senators, this report is much longer than the first and relates to a number of employees of the Library of Parliament. It recommends the approval of the report of the Civil Service Commission providing for salary increases for a number of classes of professional librarians in the Library of Parliament, in order to bring them into line with similar classes in other branches of the Government service which have already received salary increases.

I would point out to honourable senators that this report has already been approved in the other place. The approval of both houses is required in order for persons in these classes to receive the increases.

Report approved.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 14, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. George S. White: Honourable senators, this is the third occasion on which somewhat similar legislation has been before the Senate. At the last session, I spoke on the bill presented by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and I opposed it on that occasion.

Having listened to the speeches made to date on this bill, I hesitate to enter the debate, as I am but a country lawyer and in the country constitutional questions seldom arise.

Hon. Mr. Brunt: No, but you have the practical farmers there.

Hon. Mr. White: The present bill is considerably different from the two previous bills. As the explanatory notes to the bill state, it does not apply to cash loans, mortgages on real estate, etc. However, I take it that this bill would apply in the case of sales of goods where a chattel mortgage is taken back.

While this bill represents a change in that respect, there remains the important question as to whether or not these provisions are within the jurisdiction of the federal Parliament.

In introducing the bill, the honourable member from Toronto-Spadina (Hon. Mr. Croll) put three points very clearly. As reported at page 142 of Senate *Hansard*, in the first column, he states:

> The sole purpose of the bill is to require every person who carries on the business of extending consumer credit to disclose in writing to the consumer of such credit the total cost thereof, expressed both as a lump sum and in terms of simple annual interest.

The second point was made clear by him on the same page, in the same column. He stated:

> Furthermore, no criminal liability would flow from non-compliance with the bill, but in the face of non-disclosure, a credit financier would be unable to recover or retain any finance charges whatsoever on any unpaid balance in respect of which he has extended credit.

On the same page, in the second column, the honourable senator dealt with his third point, and stated:

> This bill does not attempt to control consumer credit or interest.

Honourable senators, it seems clear that the bill now before us does not attempt in any way to control interest and that there is now no criminal liability under the bill. Therefore, it is most difficult to find any provision in it which would bring it under federal jurisdiction.

This bill deals mainly with conditional sale contracts and agreements. In the main, it provides that the purchaser of consumer credit is to be given a statement containing certain information before the transaction is completed. Everyone will agree that the large majority of conditional sale contracts covers three different classes of articles, namely, motor vehicles, electrical appliances, and furniture. I submit that anything having to do with these items clearly has to do with a matter of property and civil rights and therefore comes under the jurisdiction of the provincial legislature.

The honourable senator from Toronto-Spadina in presenting this bill is reported at page 146 of Senate *Hansard* as follows:

> Honourable senators, this bill does not cover cash loans, banking transactions, mortgages or real estate transactions. They are dealt with federally by the Bank Act, the Loan Companies Act, and the Small Loans Act, and it is at least arguable that should provision for disclosure be considered desirable in those fields, the specific acts themselves should be amended accordingly.

I do not disagree with that, because there the honourable senator was dealing entirely with federal acts. However, he went on to state:

> At any rate, the present bill deals exclusively with the extension of credit in respect of any unpaid balance arising out of any agreement for the sale of goods or for the provision of services. I need hardly remind this house that consumer credit constitutes a very considerable segment of our economy and that it is not regulated federally.

The honourable senator makes it quite clear that this bill deals entirely with the extension of credit for the unpaid balance arising out of an agreement on the sale of goods, and he states further that consumer credit is not regulated federally. I would go a little further than that and say that at the present time, as far as the province of Ontario is concerned, consumer credit is regulated to a certain degree. The sale of goods which takes place before there can be a conditional sale contract is covered in Ontario by the Conditional Sales Act. As the honourable senator pointed out, if it is necessary to have disclosure about banking, the proper procedure is to amend the Bank Act. My contention is that, under the Conditional Sales Act of Ontario consumer credit is controlled to a certain degree, and that any new provisions dealing with consumer credit should be introduced by way of an amendment to that act. Furthermore, I am advised that some other provinces have legislation which is very similar to that contained in the Ontario act.

The Ontario Conditional Sales Act has been in force for many years. It goes into great detail and sets out very clearly the law in that province affecting conditional sale contracts and agreements—which really means the law dealing with consumer credit. I wish to indicate briefly some of the things dealt with in the Ontario act. It says, first, that the contract must be in writing; secondly, it must be signed by the purchaser or his agent; and, thirdly, the terms and conditions of the sale

must be stated. The goods must be described. The contract must be registered within ten days of its being executed, and a renewal statement must be filed if the contract is for more than three years.

I ask you, honourable senators, to note the exact wording. The contract must state "the terms and conditions of the sale". What does "the terms and conditions of the sale" mean? The honourable senator from Toronto (Hon. Mr. Hayden), during the speech of the honourable senator from Winnipeg North (Hon. Mr. Wall), put on *Hansard* at page 319 certain information as to what a conditional sale contract contains. I do not wish to repeat that information, and I am quite sure that all honourable senators are familiar with the terms in the ordinary conditional sale contract with respect to the sale of electrical appliances, motor cars, and things of that nature. All the items contained in this bill's definition of "finance charges" are set out on the conditional sale contract forms used in the province of Ontario and, in addition, the first two items in clause 3 of the bill are also set out.

By paragraph (a) of clause 3 of this bill the person extending credit is required to furnish the person receiving it a clear statement in writing setting forth the total amount of the unpaid balance outstanding. That is already provided for in the form of conditional sale agreement used in Ontario. Paragraph (b) of clause 3 requires the furnishing of a clear statement in writing of the total amount of the finance charges to be borne by such borrower in connection with the transaction. The ordinary conditional sale agreement form used in Ontario contains that information.

It is for that reason, honourable senators, that I suggest what is being sought by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) under this bill could be obtained quite properly by an amendment to the Conditional Sales Act of Ontario, to be inserted immediately following subsection (1) (a) of section 2 which requires the contract to be evidenced by a writing, signed by the purchaser or his agent, stating the terms and conditions of the sale and describing the goods sold.

Hon. Mr. Reid: On what date was that provincial act passed?

Hon. Mr. White: I could not give the honourable senator the date, but it was in the provincial statutes long before I started to practise law. It has been in existence for a very long time.

Hon. Mr. Hayden: For more than ten years.

Hon. Mr. White: Yes.

The Conditional Sales Act of Ontario goes on to provide that a copy of the contract must be delivered to the purchaser, and also that with respect to any contract for more than three years there must be renewal statement filed with the clerk of the county or district court. It is interesting to note that there must be set out in that renewal statement, namely, (a) the name and residence of the seller and the name and residence of the purchaser, (b) a brief description of the goods, (c) the amount of the contract price and an itemized statement of all payments, if any, made on account thereof, and the unpaid balance. In addition to that the statement must be sworn.

Honourable senators, I would like to draw your attention next to this most important provision with respect to consumer credit and the sale of consumer goods, to the effect that in all of these sales the title to the goods remains in the vendor. It becomes important, therefore, to know what happens and what the procedure is when default is made.

This aspect is fully covered by the Ontario act, which provides that where the seller retakes possession of goods for breach of contract he must retain those goods for twenty days, the purchaser being able to redeem them within that period of time by paying the amount then in arrears together with interest and the actual cost and expenses of taking and keeping possession.

The act further provides that where the purchase price of the goods exceeds $30, and the seller intends to look to the purchaser for any deficiency on resale, the goods shall not be resold until after notice in writing of the intention to sell has been given to the purchaser or his successor in interest. The act clearly sets out that the notice must contain:

> (a) a brief description of the goods;
>
> (b) an itemized statement of the balance of the contract price due and the actual costs and expenses of taking and keeping possession up to the time of the notice;
>
> (c) a demand that the amount as stated in the notice shall be paid on or before a day mentioned, which day shall not be less than twenty days from the day of retaking possession of the goods—

In addition, it provides that the notice must be served on the purchaser, such service being made either personally, or by leaving the notice at his last known residence, or sending it to him by prepaid registered mail.

I point out, however, honourable senators, that one of the things that must be shown is the actual cost of taking and keeping the goods in possession, and these costs are

provided for by the Costs of Distress Act which is chapter 74 of the Revised Statutes of Ontario, 1960.

There are many provisions in this Conditional Sales Act, honourable senators, and I have cited only a few of them to show the full and complete manner in which the Ontario Legislature has attempted to deal with consumer credit. If the bill before us covers chattel mortgages, then I would mention that the Bills of Sale and Chattel Mortgages Act of Ontario covers all matters with respect to a chattel mortgage.

I cannot agree with the remarks made by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and the honourable senator from Winnipeg North (Hon. Mr. Wall) that "cost of a loan" as defined in the Small Loans Act and "finance charges" as defined in the bill now before the Senate are synonymous with interest charges. In the Small Loans Act the definition of the cost of a loan includes no fewer than ten different items, of which one is interest. It provides:

> "Cost" of a loan means the whole of the cost of the loan to the borrower whether the same is called interest or is claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording fees, fines, penalties or charges for inquiries, defaults or renewals or otherwise—

It is certainly a full description. In his bill the honourable senator from Toronto-Spadina (Hon. Mr. Croll) has set out some of these items but in order to be sure that every possible item is covered he concludes the definition of finance charges with the words, "and any other type of charge".

Hon. Mr. Brunt: It is a scoop shovel.

Hon. Mr. White: In Ontario we have the Unconscionable Transactions Relief Act, chapter 410 of the Revised Statutes of Ontario, 1960, which provides that an individual may apply to the court for relief where the costs of a loan are deemed to be excessive. It is interesting to note the definition of the cost of a loan in this act, as follows:

> "cost of the loan" means the whole cost to the debtor of money lent and includes interest, discount, subscription, premium, dues, bonus, commission, brokerage fees and charges, but not actual lawful and necessary disbursements made to a registrar of deeds, a master or local master of titles, a clerk of a county or district court, a sheriff or a treasurer of a municipality . . .

Hon. Mr. Reid: May I ask a question?

Hon. Mr. White: Yes.

Hon. Mr. Reid: Is Ontario the only province which has legislation of that kind?

Hon. Mr. White: I am informed that a number of other provinces have a Conditional Sales Act, several of which are practically identical to the Ontario statute.

Hon. Mr. Reid: Thank you.

Hon. Mr. White: In dealing with the definition of "finance charges" in Bill S-2, I would like to refer briefly to an example of insurance under an ordinary conditional sale agreement. As you know, in these agreements there are often two insurance policies. There is the premium or charge for group-creditor insurance on the purchaser's life. This is a type of policy whereby the life of the purchaser is insured for the lifetime of the contract. The premium is very low and in the event of the death of the purchaser the contract is paid in full. I am sure few people would fail to recognize the benefits of such a plan, and certainly anyone who practises law, at least in the country, will have had a number of cases reflecting the advantage of such a policy. As I have said, the charge would be very moderate in any case.

The second insurance premium under an ordinary conditional sale agreement for the sale of a motor car would be to cover fire, theft, and collision damage. As honourable senators are aware, the amount of premium for this insurance varies depending on the type of car, whether it is new or used, the age of the driver, and whether persons under the age of 25 years will drive the car. Depending on these factors, this policy could vary from $40 to $60 per annum. I would simply point out that if there is a contract for the sale of a motor car over a period of 24 or 36 months there would have to be insurance premiums for as long as three years, but the purchaser could pay his premium only once a year. It would seem to me that it would be rather difficult, before the transaction is completed, for the vendor to give the purchaser a clear and correct statement which would include the insurance premium covering two, three or perhaps four years.

I have mentioned these facts about insurance to show the extent to which the honourable senator is endeavouring to interpret finance charges to be interest. As a previous speaker pointed out, it is important to remember that in some of these insurance policies, whether on the purchaser's life or on a motor car, the insurance is not arranged by the vendor of the goods but by an insurance agent who receives the premium for the policy. I consider that the purchaser of a motor car who takes out an insurance policy is simply paying the premium for protection

in exactly the same manner as an individual who pays a premium on a life insurance policy he has taken out.

Bill S-2 provides that before a transaction is complete the credit financier must furnish a statement, but the sponsor of the bill did not indicate in any way as to when he believed such contract would be complete. Some would say that the transaction is complete when the purchaser has signed the conditional sale agreement. Others would say it would be on delivery of the goods, or perhaps when the conditional sale agreement is registered, or when the purchaser receives a copy of the contract. The two Ontario statutes I have referred to, the Conditional Sales Act and the Bills of Sale and Chattel Mortgages Act, contain sample copies of the form which is to be registered, but in the bill before us provision is made under section 5 for regulations to be passed by the Governor in Council covering three items set forth in that section. I do not believe that is sufficient. The form or manner of the statement, whatever it may be, should be incorporated in the bill, and the method of calculating the total amount of the finance charges and so on should be in the bill, as should the degree of accuracy.

In section 2 of the bill, which deals with provision of services, the mover has given no explanation as to what services are covered. A good many services could be covered. I would just like to suggest one, though you may think it is rather far-fetched.

In the province of Ontario, for the past year or two, there have been great developments in the installation of gas for heating homes. I would take it that a gas company would come under this act, because it is a corporation. It would also be a credit financier, because it is a corporation which enters into agreements for supplying present and future services. If that is correct, I wonder when it could be said that a transaction is complete and when the gas company would have to furnish each individual customer with a statement under this act showing the unpaid balance due, finance charges, if any, and if there are finance charges, what the simple interest would be. It might be said that that example is rather ridiculous but, after all, it seems to me that it comes within the purview of this bill. If you make a deal with a gas company to supply you with gas—that is a deal for services for the present and the future—the company will bill you every month or two months, and render further statements in the future.

Hon. Mr. Vaillancourt: May I intervene to say that applies not only to gas companies, but to electric companies, and to gasoline companies which furnish oil to the farmers, and they fix the interest beforehand. We have checked that for many years. The interest charge is six per cent, and it is reduced every month according to the amount paid by the customer.

Hon. Mr. White: I was just going to speak of the oil truck deliveries, because everybody is quite familiar with how the oil is delivered and the kind of bill furnished, and so on. Just when one would say that the transaction is complete, I do not know. However, the interpretation might be that when the oil is put into the tank the transaction is completed, and then a statement would have to be furnished under the provisions of this bill.

Honourable senators, in the event this bill receives second reading and is referred to the Banking and Commerce Committee, I suggest that the honourable senator from Toronto-Spadina (Hon. Mr. Croll), furnish the committee with the following information:

1. A legal opinion that the bill is within the jurisdiction of the federal Parliament.

2. Full information as to the definition of "provision of services".

3. An amendment to the bill to provide the manner in which the statement is to be served on the purchaser, either by personal service or by registered mail.

4. An amendment to the bill that will cover and include in the bill the three matters referred to in paragraph 5 of the bill.

On motion of Hon. Mrs. Fergusson, debate adjourned.

PRIVATE BILL

RELIANCE INSURANCE COMPANY OF CANADA —SECOND READING

Hon. L. P. Beaubien moved the second reading of Bill S-12, respecting Reliance Insurance Company of Canada.

He said: Honourable senators, Bill S-12 is a simple bill. The Reliance Insurance Company of Canada begs the power to use a French version of its name for writing contracts in the French language, and has chosen the name La Reliance, Compagnie canadienne d'assurance.

Hon. Mr. Brunt: That is good French.

Hon. Mr. Vaillancourt: Better than the other.

The Hon. the Speaker: Is that the translation?

Hon. Mr. Beaubien (Bedford): It is not a translation; it is the name.

The Hon. the Speaker: What is the name?

Hon. Mr. Beaubien (Bedford): La Reliance, Compagnie canadienne d'assurance.

(Translation):

The Hon. the Speaker: Why not "La Reliance"?

Hon. Mr. Beaubien (Bedford): The word "reliance" is not French.

Hon. Mr. Vaillancourt: It is not a French word.

(Text):

Hon. Mr. Beaubien (Bedford): The head office of the company is in Montreal. The company operates under a charter of the Parliament of Canada, 1920.

The company forms part of the Phoenix of Hartford group of insurance companies, which group has total assets of over $300 million.

The company writes insurance in all the provinces of Canada, including fire, accident, automobile, burglary, hail, tornado, explosion, guaranteed inland transportation and various other kinds.

Honourable senators, I recommend this bill to your favourable consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Beaubien (Bedford), bill referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 21, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

PRIVATE BILLS

CANADA SECURITY ASSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-14, respecting Canada Security Assurance Company, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Olive L. Irvine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

POLARIS PIPE LINES—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-13, to incorporate Polaris Pipe Lines:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hugessen: I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill S-13, to incorporate Polaris Pipe Lines, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 166 to 198, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

TOURIST TRAFFIC

COMMITTEE EMPOWERED TO MAKE INQUIRY

Hon. R. B. Horner moved, pursuant to notice:

> That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada, and that the committee be authorized to send for persons, papers and records.

He said: Honourable senators, first of all I should apologize for the lack of action by the Standing Committee on Tourist Traffic in initiating its inquiry into Canada's tourist industry. I believe we should make every effort during the remainder of the session to carry out this work. I should like very much to see an interest taken in the matter. In other countries this is one of the greatest years in the history of tourism, and I think it should be in Canada also; in fact, I think tourism for us should assume the same importance as the export of wheat. I think it should be the part of every Canadian, and not just of the Canadian Government, to extend a warm welcome and kindly treatment to those who visit our country.

I read in one of the daily newspapers today of a resident in Kentucky who is making a business of cooking chicken with 12 different spices, and apparently his hobby or business brings him in $1,000 a day. Sometimes when I have travelled through the United States and come back to Canada I have wondered why fried chicken here tastes a little flat as compared with that across the border. It seems to me that somebody in Canada might well adopt the idea of that man from Kentucky. I understand that in Calgary the holder of the franchise is serving 35,000 chicken dinners a month based on this man's recipe, and that another plant is to be set up. No doubt our first consideration is to see that we are getting the most for our dollar in the right type of advertising.

Honourable senators may be interested to know that I have just received a letter from a New York tourist organization inviting some Canadians to visit there.

I do not wish to prolong this discussion, since some other honourable senator may wish to say a word or two.

Hon. David A. Croll: Honourable senators, as a member of the Tourist Traffic Committee, I very much welcome the resolution, which gives me some hope that we will be in a position to do something about a matter which really requires our attention.

I was particularly impressed with a document I received this morning, and which no doubt came to all honourable senators, namely, the Bank of Montreal *Business Review* for February of this year, entitled "A Nation of Travellers." It contains much interesting information which perhaps in capsule form will appeal to this house. One of the things it says is that Canadians on a per capita basis spend more money for travelling than anybody else in the North American area. Prior to 1951, we had a surplus in our travel account, but since then there has always been a deficit.

In 1960, Canadians expended for travel $627 million, and travellers from outside Canada coming here spent $420 million. So you see that on the overall picture we had a deficit.

It is interesting to note that tourism brings in more cash than any other industry in this country except the newsprint business.

Hon. Mr. Brunt: I thought it was behind farming.

Hon. Mr. Croll: No; newsprint is the leader.

The Hon. the Speaker: What was the overall deficit in tourism?

Hon. Mr. Croll: Some $200 million in 1960. In 1960 roughly 30 million Americans entered Canada. Those were the entries recorded. May I read the words of the review.

> During 1960 the number of entries into Canada by residents of the United States totalled nearly 30 million and roughly the same number of Canadian visits to the United States were recorded.

Hon. Mr. Roebuck: Those entries do not represent individual tourists; some entrants would cross the line back and forth every day for maybe 300 days in a year.

Hon. Mr. Croll: Yes; they would stay for only a very short time.

Hon. Mr. Brunt: Those figures of entries would include for instance, people working in Detroit, and living in Windsor.

Hon. Mr. Croll: That is right.

In 1960 Canadians, in the course of visits to the United States, spent $462 million in that country, whereas Americans who came to Canada spent $375 million, resulting in a deficit of $87 million. In that same year 240,000 Canadians travelled overseas, and 71,000 overseas travellers visited this country.

This publication attributes the large amount of travelling by Canadians to the fact that we have a high level of income, longer vacations and low air fares. It indicates that three-quarters of the Canadians returning from overseas travel by air. One of the reasons for the high figures on Canadian travel is the fact that in recent years a large number of immigrants have come to this country, and they have been going home to visit their families and relatives. Seventy-five per cent of the people who went to Britain last year went for the purpose of visiting their families.

Honourable senators, my point in rising was to give you a few facts. I do not think we are spending enough money on tourism. The trouble is that when the people in the department concerned spend a dollar they want to know whether it is going to earn $2 or $1. You cannot make such forecasts in this business; you have to gamble, and competition is becoming increasingly keen.

We have to do more publicizing and advertising. Europeans have money; they can travel; the restrictions on taking funds out of the European countries have almost disappeared. It is true that here in Ottawa we have some special attractions to tourists, such as the Changing of the Guard and the Royal Canadian Mounted Police, but what else have we? We are getting used to these attractions and we now have to develop some new ones. We cannot expect these people to visit Canada only in a period of two or three months in the summertime. We also have facilities for attracting tourists in the winter months, such as fishing, hunting and skiing. Provision is made for financial help to people who wish to build lodges. True, the tourist facilities have improved considerably, but it strikes me that Canadian advertisements displaying bathing beauties are a little overdone. It seems to me that in bikinis all women are beautiful.

Hon. Donald Cameron: Honourable senators, I wish to commend the Chairman of the Standing Committee on Tourist Traffic for revitalizing that committee, because I have felt for some time that in terms of potential business that can be generated, this could be one of the most important committees of the Senate.

I have never been too happy with the support that the chambers of commerce and businessmen in general have given to the idea of promoting tourist traffic, except in those areas which are almost entirely dependent on the tourist trade, such as the one in which I live, at Banff. I remember that year after year, at the annual conventions of the Chamber of Commerce, the local chambers of Banff and Calgary put forward resolutions suggesting that the National Chamber of Commerce should concern itself more with encouraging a national approach to the development of this important industry. Time and again the resolution was brushed off. Fortunately, during the last couple of years it has received some support.

The honourable senator from Toronto-Spadina (Hon. Mr. Croll) has emphasized that tourism is Canada's second largest industry. Without too great an effort it could be the largest, and I believe that we should stop at nothing short of making it so.

Might I at this time suggest to the Leader of the Government (Hon. Mr. Aseltine) that he exercise all the powers of persuasion which he possesses to see that the Rogers Pass section of the Trans-Canada Highway is open for tourist traffic by the middle of June or the first of July. I have been trying to bring some pressure to bear on the federal Minister of Public Works, and he says that he will do his best in this regard but that the Minister of Public Works for British Columbia should have some pressure brought to bear on him. If that is the case, let us all press him for action, because with the Seattle World's Fair being held on the west coast this summer there will be a tremendous amount of traffic over the newly-opened Trans-Canada Highway. I believe it is not too difficult to get the highway opened for what is called "controlled traffic". Some bridges may not be finished and the tourists may have to make a detour. However, this prospect is well worth the effort, and we should leave no stone unturned in this respect. We should make it possible for people of eastern Canada to go out over the Canadian route and back over the American route, if they wish, and for Americans who are on a cross-continent tour to do the same. I would like to see a development in regard to this matter.

In recent times the air line companies have been making special pleas and offering reduced rates to induce people to fly to Europe. In my experience, many people in eastern Canada think they have seen the west if they have gone as far west as Sarnia or get even to Winnipeg. Let me assure them that Winnipeg is only the beginning of the west, and that today some of the most exciting things in Canada are happening in Alberta and British Columbia. We would like our eastern neighbours to come and look at the west. Perhaps the air line companies would consider this as part of a campaign which might reduce their deficits and also get more people to see Canada first. They could offer special inducements to easterners to come and see the western part of the country, and as well they could ask westerners, of course, to see the Maritimes and Quebec.

If we are to develop the proper kind of tourist trade, we must pay more attention to the quality of the service we offer in hotels and motels and particularly in restaurants. We have the kind of raw materials we need, the world's best beef, the best wheat, and all the other attributes of good living in Canada. However, the food that is served on restaurant tables in some of our tourist centres, prepared by alleged chefs, should not be offered to anyone.

This committee might also encourage those responsible for developing the tourist trade to put special emphasis on the quality of service we offer. I believe that people will quickly respond to tasty food and good service.

I remember being in Phoenix, Arizona, not so long ago and having dinner at one of the main restaurants there. My wife and I saw a lineup at a very small place across the street and we remarked: That must be a good place to eat. After dinner we went across to this place, called Sue's Kitchen. Now, any time you are in Phoenix you will see a lineup in front of this small restaurant every day. Why? For just one reason—good food, nicely served. I believe we do not put enough emphasis on that aspect of our tourist trade.

As a final point I should like to refer to a subject which is becoming of increasing importance in Canada. We have some magnificent historic sites in this country, but as yet we have not done nearly enough to develop and publicize them. A very fine example of what can be done is to be found within 40 miles of Ottawa, along the Seaway, known as Upper Canada Village. The federal Government and the province of Ontario have done a magnificent job in recreating an early Canadian village. The same sort of thing should be done in many other parts of the country. Such enterprises would pay rich dividends by attracting more people.

Honourable senators, any of you who have been down along the Custer Battlefield Highway in the United States must have been struck by the way the Americans have developed every point of historic interest there. Along the Columbia river and on the old

Oregon trail, they have done the same thing, all of which has greatly added to the interest which those places have for tourists.

May I say a word on behalf of the people who administer our tourist program—the men in the National Parks Branch, in the Historic Sites and Monuments section, and in the many tourist promotion bureaus. They have been subject to criticism more often than commendation. One of the most important jobs this committee could do would be to bring those agencies before it, so that we may inform ourselves more fully on their work. Once fully informed, we should get behind them and give them the support they need to develop what can be Canada's biggest business.

Hon. Arthur W. Roebuck: Honourable senators, I am sure we are unanimous in regard to the object of this motion, which is to endeavour to bring more tourists to Canada. We are unanimous also in saying that here we have attractions which are as great as those of any other country. This committee must study what it can do to make our resources available and to bring people to Canada.

I was a member of the committee—I think I still am—some years ago, when it was much more active than it has been recently. At that time we devoted one session to fishing. There is nothing like specializing from time to time. We brought before us amateur fishermen—not the professionals—who were filled with enthusiasm for the sport. They told us about the great fish that they caught, where and how they could be caught, and so on. Their presentation was very effective.

The problem which faces us is that of advertising. Our own newspapers are ever ready to co-operate with us, but we must give them information which they can use. I have spoken of fishing and, of course, there are many other attractions. Possibly we could bring here the enthusiasts in various particular spheres, by contributing something towards their travelling expenses to Ottawa. They could talk about their particular interests, and I am sure the newspapers would tell the story of those visits. In that way we might get some free advertising.

If we are to depend on formal advertising, we will have to spend a large amount of money. We never can have enough advertising, so we should make use of our facilities and our opportunities to spread the news by word of mouth, newspapers, radio, and so on. This committee may well perform a very useful service by calling such enthusiasts together and allowing them to tell the story of the particular sport which they have enjoyed and which others may enjoy. I wish the committee good luck and good service.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I would like to add a few words in that connection.

In our province of Quebec which, together with the Maritimes, is the oldest settled area in Canada, there are many historical spots unknown to tourists. Yet, those places have seen the birth of history of the whole continent.

My colleague the previous speaker (Hon. Mr. Cameron) said the West was well known for its good food and its fine restaurants. Now, at this very time of the year, an industry is being reactivated, mainly in Quebec. It is the maple sugar industry. I remember one day, when I was lecturing before the *Institut des Sociétés savantes de Paris,* a film had been shown on the maple sugar industry in the province of Quebec, and some members of the audience had asked me what was added in the fabrication of maple sugar. This shows that people are not too familiar with that industry. We have wholesome, natural products that we can advertise.

In regard to food, tourists, particularly the Americans, tell us they find very good restaurants where the food is excellent, but they are unable to find any maple product. This seems quite amazing to me. Almost every restaurant in our country should be able to obtain genuine maple products, since they actually are Canadian products. I feel our country should be proud to show tourists what nature can produce from our soil. To use an advertising phrase so popular in the United States, we have "The best product that nature can produce"; this is another point we should stress.

I am happy to say that if our maple sugar can contribute anything to such publicity, we will be only too pleased to co-operate with the committee.

(Text):

Motion agreed to.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. Muriel McQ. Fergusson: Honourable senators, as this is the first opportunity I have had to do so, I would like to join with many earlier speakers in extending a warm welcome to the new senator from the Atlantic provinces, Senator Hollett. I should also like to congratulate the friendly and genial senator from Shawinigan (Hon. Mr. Méthot), as well as the new senator from Burin (Hon. Mr. Hollett), on their interesting speeches as mover and seconder of the motion for an address in reply to the Speech from the Throne.

If you will permit me, I should also like to join in the compliments paid this session to our Speaker who has won for himself the affection and respect of senators on both sides of the house.

This is the third occasion on which I have spoken in this chamber in support of a bill to make provision for disclosure of information in respect of finance charges. All the bills were introduced by the honourable senator from Toronto-Spadina (Hon. Mr. Croll)—one he introduced in 1960, and the other in 1961. I commend him highly for his continued initiative in this matter, despite the discouragement and opposition he has encountered at times in the past.

I am confident that this time the bill will receive second reading here, will be reported out of committee and will, indeed, pass the Senate. If prorogation or dissolution does not supervene I hope it may even acquire the force of law at this session—although, of course, I have no way of knowing what attitude may be taken on the bill in another place.

The reasons for my renewed confidence in the success of this bill are neither hard to find nor to express. In the first place, obviously there has been an intensification of popular opinion in favour of this legislation. Like the senator from Winnipeg North (Hon. Mr. Wall), and I feel sure like many other senators, I have received this year a great many letters from individuals and organizations supporting this legislation. A large number, but certainly not all of these, have come from the Maritimes, and my own belief is that support for this measure is nationwide.

Honourable senators, I do not believe that the Senate should, or would, disregard the manifestations of public approval that are evident on all sides. We should, indeed, demonstrate for all to see that the Senate is not a temple of money-changers but a forum in which the overriding good of the people is the paramount concern. I sincerely believe this bill is for the public good.

Secondly, contrary to opinion of the honourable senator from Toronto (Hon. Mr. Hayden), I believe that the present bill is a vast improvement over the predecessor bills in that it is now both specific and easy to understand. Some of us who favoured the principle of the earlier bills realized that further definition and delimitation were required. I mentioned this when speaking on one of the predecessor bills but, at that time, I, and others who supported the bills, believed that the necessary adjustments in the form of the bill could best be made after full discussion in our very able Banking and Commerce committee. Others, I know, felt that this work of "sculpturing" should be done by the sponsor of the bill prior to its reference to committee. The necessary sculpturing has now been done by the honourable senator from Toronto-Spadina, and any refinements or modifications required in committee should be of minor and, indeed, of minimal character. Senator Croll has done his homework, and a large section of earlier opposition to the bill must thereby have been removed.

Finally, there has been no departure from the basic principles of the predecessor bills. Credit financiers, now clearly defined, must disclose all of the finance charges, both as a total sum and in terms of annual interest. The consequences of non-disclosure certainly could not be called unduly severe and are not, under the new bill, criminal in nature. Penalties to the purveyors of credit are simply that they will not be able to recover or retain any finance charges whatsoever, unless they have disclosed them in advance and in writing, in accordance with the bill.

I realize that there might be some difficulty in arriving at the correct annual rate of interest as required by this bill but I feel, like the honourable senator from Winnipeg, that this difficulty could easily be overcome through a formula for such calculation being set out under the regulations which are provided for in section 5 of the bill.

When I spoke on the bill introduced in 1960 I had not studied the question of its constitutionality, and you may remember that I was rather cautious on that point. Subsequently I did considerable study on the matter. Like the honourable senator from Hastings-Frontenac (Hon. Mr. White), I am only a country lawyer but I have always taken a keen interest in constitutional problems. In speaking on the 1961 bill, after having studied the matter I was convinced that under the British North America Act the Parliament of Canada was within its rights in enacting such a law, and I am still of the same opinion.

Honourable senators, it was only because illness prevented me from being in Ottawa that I did not record my vote in support of the 1961 bill. However, if at this time Bill S-2 comes to a recorded vote—although there may be no necessity for such a vote—I certainly will support it and I hope and trust that the vote will be overwhelmingly in favour of the principle of this bill.

On motion of Hon. Mr. Smith (Kamloops), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

26211-3—24½

THE SENATE

Thursday, March 22, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

21st March 1962

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber on Friday, the 23rd March, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Report of the Canadian National (West Indies) Steamships, Limited, for the year ended December 31, 1961, pursuant to section 85 (3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English text).

REPRESENTATION ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the following report of the committee on Bill C-14, to amend the Representation Act:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Bouffard: With leave, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Bouffard reported that the Standing Committee on Miscellaneous Private Bills had considered Bill C-14, to amend the Representation Act, and had directed that the bill be reported without amendment.

Hon. James Gladstone: Honourable senators, before third reading of this bill is moved, I believe I should say a few words in its favour. As you know, it gives the franchise for the first time to the people in the districts of Franklin and Keewatin. The total population of the two districts is about 8,000 persons, 75 per cent of whom are of Eskimo origin. In my opinion, this reform is long overdue.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Gladstone: We have already given the vote in federal elections to the Indian population, and, to say the least, it would be inconsistent to deny a similar privilege, for whatever reason, to persons of Eskimo extraction.

Honourable senators, in our democratic system we have no intelligence tests for voting, nor do the voters have to give evidence of any particular grammatical or linguistic skill. I welcome this legislation, and I am sure that ways and means will be found to communicate the political issues to the Eskimos, if necessary in their native tongue. It should not be so large a task that it cannot be done. Perhaps I should add that if we were to introduce special voting qualifications of the sort suggested by the honourable senator from Churchill (Hon. Mr. Crerar), we would be disfranchising large numbers of our people and would be setting the democratic clock back a long way. Universal suffrage is the principle on which our democracy rests and it is being applied in the present bill.

Hon. Jean-François Pouliot: Honourable senators, in the name of human rights and fundamental freedoms, I am very sorry to have to protest against the reference made by the honourable gentleman who has just spoken (Hon. Mr. Gladstone) about the honourable senator from Churchill (Hon. Mr. Crerar). We live in a free country, and the opinion that the honourable senator from Churchill expressed was his own sincere opinion; but it did not bind the Liberal party or the Opposition in this house. Therefore, it

should be reported as the opinion of one of our honourable colleagues, who was free to express it, but that it does not bind anyone of the Opposition.

Hon. Mr. Stambaugh: It did not influence anybody.

Hon. Mr. Pouliot: I would not say that. I have a high regard for my honourable colleague from Churchill, and I believe he is a man of wisdom; but in this case what should be considered is the attitude of the Opposition in the other place and also in this chamber.

We live in a vast country; its territory extends to the North Pole. The new districts of Keewatin and Franklin belong to Canada. Most of those who live there have traditions that date back to many years before Christopher Columbus discovered America and Jacques Cartier discovered New France.

Therefore, as the Eskimos and the Indians of the North Country are Canadians as much as we are, they are entitled to the full rights of Canadians. That is why I welcome this legislation, but with the reservation that this is not the way it should have been brought before us. It should have been sponsored by a member of the Cabinet, or even by the Prime Minister himself, because it concerns the territories of Canada, and the first right of the first citizens of this country is the right to vote. That is my observation about it.

I am very fond of the honourable senator who has just spoken (Hon. Mr. Gladstone), but I wanted to make that correction in due course.

Hon. Mr. Gladstone: Honourable senators, I have the greatest respect for the honourable senator from Churchill (Hon. Mr. Crerar). I have not even tried to say anything that would make you think that I was against anything he said. What he said was his own opinion. I give my humble thanks to the honourable senator from Bruce (Hon. Mr. Stambaugh) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) for taking my place. I should have jumped up and expressed my views the other day on the motion for second reading of this bill, but they very ably spoke for me.

As for the honourable senator from Churchill (Hon. Mr. Crerar), as a former minister who had the responsibility for the administration of Indian Affairs, he was our uncle. The Queen was our mother and the minister was our uncle. We had the greatest respect for them. During the time that he was my uncle I think there was nothing ever happened by which he could accuse me of being disloyal. I was a darn good Indian to him. Also, I have the greatest respect for the honourable senator who has just spoken (Hon. Mr. Pouliot).

Hon. Malcolm Hollett: Honourable senators, I just want to say one word or two which I neglected to say the other day. Like a good many of you, I served in the First World War. In that war we had snipers, and the finest and smartest one I ever met was John Shiwah, an Eskimo. He came from Labrador. That was away back in 1916. I may say that I am glad that after the passing of this bill tomorrow John Shiwah, if he is still alive and in the Franklin area, will have the vote.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

(*Later:*)

Hon. David A. Croll: Honourable senators, I rise on a question of personal privilege, if I may. Third reading of the Representation Bill, which we considered a few moments ago, was stood over until tomorrow. For certain reasons I cannot be here tomorrow, and I should like to have the opportunity of recording my vote on this bill. Therefore, I ask that the house revert to consideration of this bill and give it third reading now, with a recorded vote. If such a course will not embarrass the house to any extent, and if no honourable senator opposes it, I hope the Leader of the Government will agree to my request.

Hon. Mr. Aseltine: Why have a recorded vote?

Hon. Mr. Croll: I have been embarrassed about the whole matter, and was reluctant to rise during the earlier discussion, for I have great appreciation and affection for the honourable senator from Churchill. However, I would like to record my vote, and I shall not have the opportunity of doing so tomorrow.

Hon. Mr. Aseltine: You are on record now.

Hon. Mr. Roebuck: That is true, and so am I. Nobody could be more firmly on the record than I am. It so happens that though I shall be in town tomorrow, I shall be engaged in important public work, a railway problem, and cannot be here. I too should like to be recorded in this matter.

Hon. Mr. Brunt: You are in favour of the bill?

Hon. Mr. Aseltine: Why not make your position clear now?

Hon. Mr. Croll: Someone may read tomorrow's proceedings without knowing that I was absent, and for that reason did not vote on this bill. I should like to be recorded as being in favour of it.

Hon. Mr. Thorvaldson: You are being entirely too political.

Hon. Mr. Croll: Perhaps I am asking for an indulgence, but it is a matter for the decision of the Leader of the Government (Hon. Mr. Aseltine).

Hon. Mr. Macdonald (Brantford): Agreed?

Hon. Mr. Brunt: We are not saying.

Hon. Mr. Dupuis: If the honourable senator wishes to register his vote one way or another, he could advise the leader of his party to do that for him tomorrow.

Hon. Mr. Reid: May I ask the honourable senator if he is now requesting that the bill be brought up again and given third reading today?

Hon. Mr. Croll: Yes.

Hon. Mr. Reid: I am objecting to that. It is most unusual.

Hon. Mr. Aseltine: I did not hear the remark of the honourable senator from New Westminster.

Hon. Mr. Reid: I said that a few moments ago we refused to vote on third reading today, and we left the door open for third reading tomorrow. If it is now proposed to bring the bill up for third reading today, I am against that. I think that is something new. We have arranged to have third reading tomorrow, and now we are being asked to bring it back.

Hon. Mr. Brunt: Not by us.

Hon. Mr. Reid: Oh, no.

Hon. Mr. Aseltine: Consent would have to be unanimous.

The Hon. the Speaker: It has been moved that this item be placed on the Orders of the Day for tomorrow and it will have to remain that way. There may be a recorded vote then, but both honourable senators who will be absent tomorrow have clearly stated in *Hansard* that they want to vote for it.

PRIVATE BILL

SALVATION ARMY GOVERNING COUNCILS—REPORT OF COMMITTEE ADOPTED

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-11, respecting the Governing Council of the Salvation Army, Canada East, and the Governing Council of the Salvation Army, Canada West, and had directed that the bill be reported with the following amendments:

1. Page 1: Strike out clause 2 and substitute therefor the following:—

"2. Section 8A of chapter 132 of the statutes of 1909, as amended by section 7 of chapter 63 of the statutes of 1916, is further amended by adding thereto the following subsections:

'(2) The Corporation may receive and accept for its own use, as to the principal sum or corpus thereof, any monies or other personal properties subject to and in consideration of the payment of interest thereon or of an annuity in respect thereof.

(3) At least once in every three years the Corporation shall obtain a report, made by an actuary qualified within the meaning of section 100 of the Canadian and British Insurance Companies Act, showing the results of an actuarial valuation of annuities in force at the date of the valuation and the actuary shall certify that, in his opinion, the reserves shown by such valuation are sufficient to provide for the payment of all annuities without deduction or abatement.

(4) The reserves shown by the most recent actuarial valuation, or at the option of the Corporation any higher reserves, shall be entered as liabilities in the balance sheet of the Corporation.'"

2. Page 2: Strike out clause 3 and substitute therefor the following:—

"3. Section 9 of chapter 64 of the statutes of 1916 is amended by adding thereto the following subsections:

'(2) The Corporation may receive and accept for its own use, as to the principal sum or corpus thereof, any monies or other personal properties subject to and in consideration of the payment of interest thereon or of an annuity in respect thereof.

(3) At least once in every three years the Corporation shall obtain a report, made by an actuary qualified within the meaning of section 100 of the Canadian and British Insurance Companies Act, showing the results of an actuarial valuation of annuities in force at the date of the valuation and the actuary shall certify that, in his opinion, the reserves shown by such valuation are sufficient to

provide for the payment of all annuities without deduction or abatement.

(4) The reserves shown by the most recent actuarial valuation, or at the option of the Corporation any higher reserves, shall be entered as liabilities in the balance sheet of the Corporation.' "

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Bouffard: With leave, I move that this report be adopted now.

The Hon. the Speaker: Does the honourable senator wish to explain the amendments?

Hon. Mr. Bouffard: Yes. The amendments concern the receipt of moneys or any other goods which could be converted into annuities or interest bearing accounts—that is, something similar to insurance annuities. The Superintendent of Insurance, who has examined the bill, desires that the situation with respect to annuitants be considered by an actuary every three years. He thought it would be more consistent with the Canadian and British Insurance Companies Acts, and it would also be a protection for the annuitants and the corporation. The councils have no objection to the addition of these amendments covering the corporation, and the committee adopted them accordingly.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Bouffard moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF A LINE OF RAILWAY BETWEEN MATANE AND STE. ANNE DES MONTS, QUEBEC—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill C-67, to authorize the construction of a line of railway between Matane and Ste. Anne des Monts, Quebec:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Connolly (Halifax North): I move with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Connolly (Halifax North) reported that the Standing Committee on Transport and Comunications had considered Bill C-67, to authorize the construction of a line of railway between Matane and Ste. Anne des Monts, Quebec, and had directed that the bill be reported without amendment.

Report adopted.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: In the absence of the honourable senator from Shawinigan (Hon. Mr. Méthot), I move that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

UNITED NATIONS

SIXTEENTH SESSION OF GENERAL ASSEMBLY —DEBATE ADJOURNED

Hon. A. J. Brooks rose pursuant to notice:

> That he will call the attention of the Senate to the Sixteenth Session of the General Assembly of the United Nations, held in New York City, and in particular to the discussions and proceedings of the Assembly and the participation therein of the delegation of Canada.

He said: Honourable senators, it is a great pleasure and privilege for me to be afforded this opportunity of giving you a report this afternoon on some of the work of the Sixteenth Session of the United Nations. I assure you that I shall not undertake a report of all the happenings at this session because, in the first place, it would take too long and, in the second place, I am sure all honourable senators followed closely the work of the United Nations and its various committees through the reporting media of the press, radio and television.

I read the reports of the work of the United Nations in the newspapers while I was in New York, and it is my opinion there was no better reporting than that done by the Canadian journalists.

At the outset I should say that I was the vice-chairman of the Canadian delegation, and as such had an active part in its work and deliberations, and that has been one of the most satisfying experiences of my public life.

Canada has a splendid mission to the United Nations at New York. It is one of the best among those of the 104 nations represented

there. I cannot pay too high a tribute to the personnel of the Department of External Affairs who are responsible for our work at the United Nations. Those connected with the mission at New York, and those sent from Ottawa to advise and help during the session, have done and continue to do a tremendous job. I found them, as I am sure everyone else did, a dedicated and devoted group of men and women.

There is not sufficient time this afternoon for me to mention individually all those who serve Canada in New York, but I can say that our mission there is composed of about fifty individuals. The Minister of External Affairs, of course, is the head. He attended the session on numerous occasions and always made his presence felt in the deliberations.

Our ambassador to the United Nations was Mr. Charles Ritchie, who did an excellent job. His work there was so well recognized that he was recently appointed our ambassador to Washington, one of the highest ambassadorial posts in the world so far as Canada is concerned. Another outstanding representative is General Burns. He is a recognized authority on disarmament, and is now attending the Geneva Convention as one of our advisers. May I say that he was one of the most respected men at the United Nations; and his advice was sought not only by the Canadian delegation but also by delegations from other countries. These two men held the two most important positions so far as Canada is concerned, and with them were many advisers from Ottawa.

Besides the plenary sessions of the United Nations there are six committees which sit regularly, and the work of the United Nations is divided among them. The first committee was headed by Mr. Green, when he was there, and in his absence Mr. Ritchie, General Burns, or I took charge.

Mr. Gordon Aiken, member of Parliament, was in charge of the Canadian representation on the second committee. His work was outstanding.

The Canadian section of the third committee, which looked after social work mostly, was under Mrs. Jean Casselman, member of Parliament, and she, along with others, received high credit for the work she did on her committee. It was very gratifying to read an article in the London *Times* about the ladies attending the United Nations and to note that the reporter of that newspaper considered Mrs. Jean Casselman of Canada one of the most outstanding women at the United Nations.

Our work on the fourth committee was under Mr. Martial Asselin, one of our members of Parliament. This was one of the most difficult committees of the United Nations, but Mr. Asselin knew his work well. He had been in Africa and had a knowledge of colonial administration, and the committee benefited from his great knowledge.

Another committee looked after finance. On it we had Brigadier John Price from Montreal, one of the outstanding financiers of Canada.

The last committee had charge of legal matters, and the Canadians on this committee were headed by Mr. Marcel Cadieux, a senior member of the Department of External Affairs who is now a member of the International Law Commission of the United Nations. Of the 43 names put up for election this year that of Mr. Marcel Cadieux of the Canadian delegation was third when the vote was taken.

I must not fail to mention the Special Political Committee, the chairman of which was Mr. Paul Tremblay, Canadian ambassador to Chile and one of our leading ambassadors abroad. We also had many observers, members of Parliament. I have not time to mention their names, but I should like to say that in attendance were three of our outstanding colleagues in the Senate. There was the honourable senator from De la Durantaye (Hon. Mr. Pouliot)—and it is not necessary for me to say that wherever he goes he makes his personality felt. He took a very active part in our work and proved to be one of the most popular delegates with the mission staff.

There was the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill), who took a keen interest in the work of the various committees, at which he was a faithful attendant. He also assisted with the important entertainment functions of the United Nations. Incidentally, one of the most demanding jobs at the United Nations is to attend the many entertainments put on by the various delegations.

Last but not least was our genial senator from Toronto-Spadina (Hon. Mr. Croll). We know him here as a man who has made work, work, work a mode of life. He was always at it in New York and he contributed much to the success of our mission and organization.

Honourable senators, as to our meetings and deliberations, you will recall that they commenced on September 19, at a time when there was intense anxiety and apprehension about the dangerous course of international relations. There was violence and bloodshed in the Congo. We are, of course, pleased to see that the situation there has improved and we hope it continues to improve. The trouble in the Congo was associated with the tragic death of that great and good man, Dag Hammarskjold, the mainspring and hope of the United Nations at that time.

There was pressure from greatly enlarged and undetermined membership. New nations were being admitted and it was hard to understand just what their attitude might be on various matters. The United Nations organization was threatened by bankruptcy due to the failure and refusal of financial support from a number of nations, including the U.S.S.R. and France. One of the most discouraging things was the failure of the disarmament conference and the renewal of nuclear tests by Soviet Russia. There was an uneasiness about developments in Southeast Asia, the Middle East, Algeria, the Caribbean, Angola, New Guinea, and many other parts of the world—there still is, of course—and as well, the sentiment about colonial issues and racial discrimination ran strong. Apartheid was a word you heard used by the delegates, especially those from Africa.

This was the atmosphere and situation under which the organization met. It could hardly have been gloomier. It was not surprising that some observers expressed pessimism about the prospects and even the future of the United Nations. But there were in attendance too many big and understanding men and women from all parts of the world to allow pessimism to prevail. There were difficult tasks to perform, and the members felt it was the duty of the United Nations Assembly to perform them. Dag Hammarskjold was dead, but the United Nations still lived.

First and foremost was the appointment of a successor to perform the duties of Dag Hammarskjold. After due tribute from one hundred nations to this outstanding man whose name will go down in history as being truly great, the task of replacing him was undertaken, with the results of which honourable senators are aware. The Soviet Union insisted on a three-man secretariat—"troika" was the word used—a division which was strongly opposed, I am glad to say, by all nations except the Soviet bloc and Cuba. The Soviet Union advanced the argument that the international character of the secretariat would best be guaranteed by representation of the main political currents which divided the world: communism, democracy, neutralism. As opposed to this proposition, most nations argued that to install a triumvirate with rotating authority would, in the words of one of the speakers, replace order with anarchy, action with paralysis, confidence with confusion. Common sense prevailed and it was finally decided to have a temporary Secretary-General to carry on during the unfinished term of Dag Hammarskjold, to December 6, 1963. Russia finally accepted this conditionally, but gave notice of her determination to insist on her formula, the triumvirate or troika, when the matter came up the next year. It is expected there will be a big fight at that time.

The man who has been selected as Secretary-General—his name has been in the press and everybody is familiar with it—is U Thant of Burma. For a number of years he was one of the very outstanding delegates to the United Nations. He was a member of many committees and acted as chairman of some. A man of great ability, he was mild but firm. In his own country he was a teacher, lawyer, politician, a man generally liked by all who meet him and, may I say, a man of real courage, for otherwise he would not have undertaken such a difficult assignment.

After his appointment the session could and did get down to business. Many delegations, including Canada's, immediately sought to crystallize the concern of people in all parts of the world as to the hazards which result from increased radiation following the resumption of nuclear atmospheric tests by the Soviet Union, including explosion of nuclear bombs.

I would point out here that Canada has always played a leading role at the United Nations and elsewhere whenever the question of radiation has been raised. We succeeded in having the General Assembly give high priority to consideration of the annual report of scientific committees on radiation, thus bringing this subject almost immediately before the Assembly. In fact, it was the first major problem to be discussed after the appointment of the acting Secretary-General. This report of the scientific committee expressed direct and general concern about the possible dangerous effects of resumed testing in the atmosphere.

Twenty-four member states joined with Canada in submitting a draft resolution designed, on the one hand, to focus the attention of all nations on the consequence of increased fallout and, on the other hand, to put forward concrete proposals for accelerating research on the effects of radiation and for organizing a global system of measuring the incidence of radioactivity in the atmosphere. This resolution had the overwhelming support of the General Assembly and was adopted in plenary session by a vote of 74 in favour, none against, with 17 abstentions, which I may say included the Soviet bloc. May I also say that the proposal for synoptic reporting of atmospheric levels has already been taken up by the world meteorological organization. Canada took the leading role in promoting this resolution.

The next matter which came up for consideration was the nuclear test ban. The series of nuclear weapons tests which the Soviet Union conducted in the atmosphere in the

early days of the Assembly and, in particular, Mr. Khrushchev's threat to explode a super bomb prompted a number of delegations to take action to try to prevent that occurrence.

Eight states, including Canada, joined in co-sponsoring a resolution calling on the Soviet Union not to carry on its intention to explode a 50-megaton bomb. Although this resolution was supported by 87 delegations out of 100, only the Soviet bloc and Cuba opposed. The Soviet Union later, it will be recalled, went ahead with two very large explosions in defiance of the Assembly's appeal. These bombs were even larger than expected, and I have been told they had more explosive power than all the bombs used in World War II.

In furtherance of its efforts to bring about a halt to testing, the General Assembly gave overwhelming support to two other resolutions calling for the cessation of nuclear weapons tests and emphasizing the urgency of resuming negotiations, with a view to achieving a safeguarded international ban on tests. Both these resolutions were adopted by large majorities. Following their adoption, agreement was reached by the United States, the United Kingdom and the Soviet Union to resume nuclear test negotiations in Geneva. These talks, which began in November, were recessed over Christmas, and are now being continued, with what results one can read from the press. Some days the talks seem to be successful, while other days they do not seem to be so hopeful. However, I am sure we all hope that ultimately they will be successful.

The next subject was that of disarmament. This was, is, and I am sure will be until the armament race is halted, the most important and difficult problem facing the United Nations and the world. At the Sixteenth Session the West pursued vigorously its efforts to bring about a resumption of disarmament negotiations, which had been in abeyance since June 1960, when Russia walked out on the disarmament committee.

The Canadian delegation kept closely in touch with the intensive discussions behind the scenes which led to agreement on new negotiations and the basis of an agreed statement of principles. General Burns was our mainspring in this matter; he was our expert and adviser on disarmament in a very long debate extending over a period of weeks, in which practically every member of the United Nations took part, including Russia. President Kennedy, as you will remember, addressed the Assembly, and in that excellent speech he said in part:

> Today every inhabitant of this planet must contemplate the day when this planet may no longer be habitable. Every man, woman and child lives under a nuclear Sword of Damocles hanging by the slenderest of threads, capable of being cut at any moment by accident, miscalculation or by madness. The weapons of war must be abolished before they abolish us.

He went on to say:

> For 15 years this organization has sought the reduction and destruction of arms. Now that goal is no longer a dream. It is a practical matter of life and death. The risks inherent in disarmament pale in comparison to the risks inherent in an unlimited arms race.

This grave concern about the resumption of negotiations was also re-stated emphatically by the Secretary of State for External Affairs in the general debate on November 24 in the first committee. The minister proposed an expansion of the disarmament negotiating body of ten nations by the inclusion of new members representing the main geographical areas of the world. These ideas were reflected in the agreement eventually reached to add eight new members to the group. The proposal was unanimously approved by a resolution of the General Assembly on November 28 and the negotiations have now been resumed. There is a hitch over the meeting at the top, but the discussion is going on. France, a member of the group of eighteen nations, has not been attending, but I know from reading today's press that efforts are being made to have her take part.

Honourable senators, I would like to mention some of the provisions of the new plan which was submitted to the United Nations by President Kennedy on September 25 which, as I stated, contained many suggestions made by Canada and adopted by the General Assembly on November 22. You will also recognize some of them as again being emphasized by Mr. Green at Geneva at the present time. Among its most significant provisions are the following.

The new plan of the United States and Canada provides for the cessation, in the first stage, of the production of nuclear material for warlike purposes, and for the transfer of agreed quantities from past production to peaceful uses. It calls for reductions at the beginning of the program of the major means of delivery of nuclear weapons and for cessation of production of certain types of these weapons; and it provides for early measures to stop the further spread of nuclear weapons. It makes provision for significant reductions in armed forces to 2.1 million men for the United States and the Soviet Union in the first

stage. It also calls for the reduction of conventional armaments and for limitations on the production of certain types of weapons.

In addition, there are provisions designed to reduce the danger of war by miscalculation or surprise attack. Measures are also included in the plan which would prohibit the placing of weapons of mass destruction in outer space, and to provide for the advance notification of satellite launchings to reassure states that these are for peaceful purposes only.

The implementation of the entire program of disarmament is to be verified by a rigorous system of international control to verify that all states are living up to their obligations.

Finally, provision is made for increasing the strength and effectiveness of international peace-keeping machinery, that is, an international force, in order to ensure that the security of all states will be fully protected as disarmament progresses. This, of course, is very necessary.

The United States plan, as now drafted, is fully consistent with Canadian policy on disarmament. Taken as a whole, the plan represents the most far-reaching and well-balanced series of disarmament measures which has yet been put forward by the Western powers.

On December 20 the General Assembly unanimously approved a resolution endorsing the agreement reached between the United States and the Soviet Union to resume disarmament negotiations in an eighteen-member committee made up as follows: in the ten-nation committee there are Canada, France, Italy, the United Kingdom and the United States on the western side, and Bulgaria, Czechoslovakia, Poland, Roumania and the U.S.S.R. on the communist side; the additional eight members are Ethiopia, Nigeria, Brazil, Mexico, India, Burma, the United Arab Republic, and Sweden.

The next subject of great importance which was considered after disarmament was the use of outer space for peaceful purposes. It was not so long ago that most of us thought that space ships and outer space was a subject for the comic strips. But this subject has in the past few years become one of the most complex problems facing the United Nations and the world. To date little progress towards a solution has been made, apart from setting up another space committee of which Canada is a member.

The subject of outer space was introduced this session by Dr. Belaunde of Peru, a very distinguished member of the United Nations and an outstanding international lawyer. Among other things, when the Outer Space Committee's report was brought up for consideration, he had this to say:

> No one is unaware of the danger that the domination of outer space by any country and the establishment of space platforms and stations for warlike purposes would present to the world, if only by influencing the physical elements of the atmosphere and the meteorological conditions above the earth. The conquest of outer space was thus not merely a matter of purely scientific progress, but was of such tremendous and immediate human importance that it must be the subject of international co-operation. Outer space could not be subject to exclusive claims, exclusive exploitation, or exclusive use by any one power or group of powers. It was because atomic energy had not from the outset been an international matter that it had given rise to the crises which mankind was experiencing. If still greater dangers were to be avoided, an international solution must quickly be found for the question of outer space.

This subject, I understand, is to be included in the disarmament talks, and it definitely should be. Mr. Khrushchev has already boasted that the U.S.S.R. could drop a super bomb from outer space on any target in the world.

On December 20, after intensive consultations involving members of the Outer Space Committee, the General Assembly gave unanimous approval to a resolution outlining a program for international co-operation in the use of outer space for peaceful purposes. This result was particularly gratifying for Canada, as we have been a member of the Outer Space Committee since its establishment in 1958 and will continue to serve on the committee in future. The hope is that after being a stalemate for two years, again held up by Russia, the committee will now be able to pursue its work with a new sense of purpose and responsibility. The Assembly, when approving this year's resolution, specifically endorsed a view that outer space should be freely available for exploration and use by all nations in conformity with agreed principles of international law, including a prohibition on the appropriation of outer space or celestial bodies by any one state.

We come now to an issue which is affecting many nations, a difficult and tumultuous issue facing the United Nations and different parts of the world, namely, the colonial issue, mostly in Africa and Asia.

I remember some time ago when Prime Minister Macmillan of Great Britain was visiting Africa he spoke of the winds of

change. Someone in the United Nations said they are no longer winds but have become hurricanes of change.

Since the last war 54 new states have come into being. When the United Nations was set up in 1946 it had 50 members; today there are 104, with many more preparing to enter. In 1946 the population of dependencies under the United Kingdom numbered 650 million. Today the corresponding figure is 40 million.

Hon. Mr. Reid: How many?

Hon. Mr. Brooks: Forty million. Of course, since the second world war India, Pakistan, Ceylon, Burma, Malaya, Ghana, Nigeria and others—I could name a dozen—have become independent.

The real trouble they are finding in this matter of colonization, or at least of self-determination, is that many of the nations are not prepared for self-government. This is not true of those that France and Great Britain have been helping. Both these countries try to prepare the new countries for self-rule. They recognize two great principles; first, that no country can govern itself unless it has an educated and trained civil service; and, second, that no country can control its people without outside assistance unless it has a trained army to enforce the law and see that the people keep the peace. These are two important advantages which Great Britain and France have provided for the nations which gained independence and were formerly their responsibility. The great difficulty is that many of these nations seeking self-determination do not wish to wait. The year 1962 was set for self-determination for all dependent peoples.

It has been found that that target could not be achieved.

This year Nigeria—which, I may say, is one of the best informed of the new nations, and a former British colony—brought in a resolution asking that the period be extended to 1970, to give them adequate time to prepare. Unfortunately, this resolution was defeated. Russia always agrees with these nations which are in a hurry. She knows full well that many of them are not prepared. She knows full well that if a country like the Congo, for instance, had had a well-trained civil service and force to look after the control and peace of the country, it would not have experienced the great difficulties it has over the past year or year and a half. Many, though not all, of these countries are too immature; some are too anxious; some lack education and understanding of the great problems of self-government.

Honourable senators, I now turn to another most important matter, one which must be dealt with effectively if the United Nations is to survive—and that it must do—that of United Nations financing. As I have said, there is a special committee on financing. Unfortunately, many of the member nations have not been paying in the amounts which have been levied against them. This year, in order to avert financial ruin and severe curtailment of its peace-keeping operations, the Assembly gave final approval to the following money measures which were recommended by the fifth committee: First, permission was given to make a $200-million bond issue. The United Nations is greatly in debt in the Congo, and going behind at a rate of about $10 million a month. Second, provision for an $80-million appropriation to cover the costs of the United Nations Congo operation. Third, provision for an appropriation of $9,750,000 for the United Nations Emergency Force in the Middle East. Fourth, a request for a World Court opinion on whether United Nations members are legally obliged to pay their Congo and United Nations Emergency Force debts. Many have not paid. Fifth, a regular operating budget of $82,144,000 for current expenses.

These financial moves will keep the 104-nation United Nations, which has been teetering on the edge of bankruptcy, a going concern for at least another year.

Delegates hailed a "re-affirmation of faith" in the United Nations as evidenced by the cash resolutions, but political assessments of the assembly were less bright.

At this point I should like to call the attention of honourable senators to some comments published in the New York *Herald Tribune* with reference to these money matters at the United Nations. This dispatch, which appeared shortly after the resolution was passed, shows where the burden has been borne. It states in part:

> The United States has supplied almost half of all the money that the United Nations and related agencies have spent since the United Nations was created in 1945—
>
> The United States has contributed $256 million toward annual budgets of the UN totalling $784 million, and $168.6 million toward budgets of nine specialized agencies totalling $594.12 million.
>
> These specialized agencies include the Food and Agriculture Organization, the World Health Organization and others dealing with labour, learning, aviation, shipping, mail, telecommunications and weather forecasting.
>
> The UN military operations have put the UN in debt. All 104 of the members of the UN are assessed to pay for them,

but only about 40 of the members pay for the Middle East force and only about 35 for the Congo force.

Another dispatch, on the same page, mentions those who are buying United Nations bonds. No doubt the list is longer now than it was at that time, the end of January. It states:

> Eight governments thus far have promised to subscribe to a total of $34,070,000 in the UN's $200 million bond issue.

I believe that the United States has guaranteed $100 million.

> The pledges are in response to an appeal Secretary General U. Thant circulated January 10.
>
> The countries and their pledges are:
>
> Australia, $4 million.
> Canada, $6,240,000.
> Denmark, $2.5 million.
> Finland, $1,480,000.
> Norway, $1.8 million.
> Pakistan, $250,000.
> Sweden, up to $5.8 million.
> United Kingdom, up to $12 million.

Another report on the same page of the *Herald Tribune* gives a further breakdown. It states:

> The United Nations, in assessing its 104 members obtain the money for its regular budget and its Congo and Middle East operations ...

The dispatch then sets out its 10 largest accounts, being one neutralist, two communist and seven pro-western countries.

> The countries and their total 1961 assessments for the three purposes were:

United States	$60,651,890
Soviet Union	25,420,205
Britain	14,513,783
France	11,940,181
Nationalist China	9,346,924
Canada	5,802,182
India	4,589,508
Italy	4,197,720
Japan	4,085,781
Soviet Ukraine	3,358,177

When studying these amounts honourable senators will see that of the 104 nations contributing to the United Nations, Canada always comes about fifth or sixth. We stand very high in the list, as far as contributions to all UN activities are concerned.

Honourable senators, it is not my intention to worry you further with these figures, but they do show the financial situation of the United Nations as of this year. The expectations are that the organization now has the situation well in hand, and that it need not worry so much in the future over its financial position. The fifth committee did a good job.

Canada has been and is one of the leading members of the United Nations in promoting plans for the purpose of contributing food and help to underdeveloped nations.

Honourable senators, there are many other subjects which I could discuss this afternoon, but I have touched on some of the main ones. Some of the principal topics discussed at length were, the admission of China to the United Nations, the trouble between Portugal and Angola, the difficulties between Tibet and China, between Cuba and the United States, and between New Guinea and Holland. Then there was discussion on UNRRA; the trouble between the United Arab Republic and Israel over the Gaza Strip; Rhodesia, where Britain has very serious headaches; UNESCO; trade, tariffs, and so on. These problems are part and parcel of the work of the United Nations.

I understand that someone criticized Canada as not being too popular at the United Nations. I do not think there can be any serious criticism. One honourable member in the other place was at the United Nations for a very short time, and I believe he must have got his information from a wrong source. The only people who seem in any way to dislike Canada at the United Nations are the Soviet nations, and I did not find them bitter. It is no exaggeration to say that Canada is, has been, and will continue to be one of the most popular nations at the United Nations and in the world. There is good reason why she should be. We have no quarrel with any other people. I mentioned a moment ago some of the nations who have had quarrels. I could mention others, such as India and Pakistan over Kashmir, North and South Vietnam, and many others. We in Canada have no quarrel with any other country. We have been contributing, not only recently but ever since we have been a member, to every worthwhile project which has been brought before the U.N. We contribute to the feeding of millions of starving people through the Food and Agriculture Organization of the United Nations, known as FAO. We contribute to the education of millions of people in Africa, South America and Asia, people who are seeking to learn so that they may become more equal with the other peoples of the world.

We have always paid our full share of the expenses of the United Nations. When I attended the UN meetings last year, it amazed me to note the number of people who came to the Canadian table to find out how we were going to vote on this or that matter, so they could follow our lead. Canada is a bright spot to many other nations there. I

am told—and I know it is a fact—that certain nations vote in a certain way very often because Canada gives them a lead.

I also know that when resolutions are brought before the United Nations, sponsoring nations endeavour to get Canada to be a co-sponsor. For that reason I have no hesitation in saying that at the UN no nation is more popular than Canada. And, as I said a moment ago, there is a very good reason for that popularity.

As to the future of the United Nations, one need only attend the meetings to realize the great necessity for that organization. The world is in a very serious state, and there is no other organization which will help to provide for its future security. The United Nations is especially needed for those new countries which are struggling towards independence. They must be helped financially, they must be helped through education, they must be helped to govern themselves, and to develop their trade and their economy. This is what the UN is doing. Moreover, there would not be a disarmament conference in Europe today if it were not for the United Nations.

To my mind, the whole future of the world depends to a great extent on the success of the United Nations. I am very proud indeed to say that Canada is bearing her full share of this burden and is doing far more than many other larger and better prepared nations.

On motion of Hon. Mr. Pouliot, debate adjourned.

PRIVATE BILLS

CANADA SECURITY ASSURANCE COMPANY—THIRD READING

Hon. Olive L. Irvine moved the third reading of Bill S-14, respecting the Canada Security Assurance Company.

Motion agreed to and bill read third time and passed.

POLARIS PIPE LINES—THIRD READING

Hon. Gunnar S. Thorvaldson moved the third reading of Bill S-13, to incorporate Polaris Pipe Lines.

Motion agreed to and bill read third time and passed.

FINANCE CHARGES (DISCLOSURE) BILL

ORDER FOR RESUMING DEBATE ON MOTION FOR SECOND READING STANDS

On the Order:

Resuming the adjourned debate on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, for second reading of Bill S-2, intituled: "An Act to make provision for the disclosure of information in respect of finance charges"—Honourable Senator Smith (Kamloops).

Hon. Sydney J. Smith: Honourable senators, I ask that this order stand.

Hon. David A. Croll: On a question of privilege, may I say that this bill has been on the Order Paper for a considerable length of time. Private bills are usually dealt with in the normal course of business. I spoke on this bill on February 13, and since then it has been stood from time to time. I feel that I am entitled to a decision on the bill within a reasonable time. I know that there is a custom in the other place of talking a bill out, but I do not think we do that in this chamber. I am not being unreasonable when I say that in my opinion any honourable senator who adjourns a debate should be prepared to go on when the order is called, and I am asking Your Honour to so rule.

Hon. Mr. Smith (Kamloops): Honourable senators, I adjourned this debate late yesterday afternoon, and I was prepared to go on today if I had a reasonable opportunity to do so, but the hour is getting late and the attendance is dwindling. I have no personal object in asking that this order stand. When all the time that has been spent on this bill is considered, I do not think I can be criticized too severely for not proceeding under the circumstances.

Hon. Mr. Bouffard: Honourable senators, I do not think it makes much difference because, in any event, I intend to speak on the bill on Tuesday next.

The Hon. the Speaker: The order stands.

PRIVATE BILL

CANADIAN PACIFIC RAILWAY COMPANY—SECOND READING

Hon. Paul H. Bouffard: Honourable senators, I spoke to the honourable senator from Hastings-Frontenac (Hon. Mr. White) a few moments ago, and he agreed that this order should precede Order No. 4 standing in his name. I ask the consent of the house that this order be proceeded with now.

Some Hon. Senators: Agreed.

Hon. Mr. Bouffard moved the second reading of Bill S-17, respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.

He said: Honourable senators, this bill, which is a very simple one, is similar to bills that were passed in 1955, 1956, 1957 and 1958.

The railways concerned were incorporated a long time ago. The Joliette and Brandon Railway Company was incorporated by the province of Quebec in 1905, and the other two companies were incorporated in the province of New Brunswick many years ago.

These railways are actually the property of the Canadian Pacific Railway Company in that it owns all of the stocks and bonds, and operates them under long-term leases. One lease is for 94 years, one is for 999 years and the other for 99 years.

The object of the bill is to simplify the corporate organization of the Canadian Pacific Railway Company. The passing of this bill will mean that these railway companies will no longer operate under the names of Joliette and Brandon Railway Company, the Saint John Bridge and Railway Extension Company, and the Saint Stephen and Milltown Railway Company, but under the name of the Canadian Pacific Railway Company.

The public is not at all interested in the matter because the passing of this bill will not affect the operations of the railways. They are all small lines, one being less than a mile long, one 13 miles, and the other 4.65 miles. They connect certain stations with the Canadian Pacific Railway.

The Joliette and Brandon Railway Company is a very small line that goes from St. Gabriel to Brandon, thus connecting St. Gabriel with the C.P.R. which is about 13 miles further south.

The Saint Stephen and Milltown Railway Company connects two small villages, and is a line of approximately 4.65 miles. The Saint John Bridge and Railway Extension Company is a line in New Brunswick that permits the Canadian Pacific Railway to go into the Union Station at Saint John and connects the Lancaster line with the Canadian Pacific Railway.

These three railway companies have been operated by the Canadian Pacific Railway Company for many years. The Canadian Pacific Railway Company has purchased the stocks and bonds of these companies, and it now wishes to have these railways made part of its system.

Honourable senators, if this bill receives second reading it is my intention to move that it be referred to the Standing Committee on Transport and Communications where any honourable senator who requires information which I am not able to give can obtain it from either the public officials or the officials of the company.

Honourable senators, I see no objection to this bill. It is the result of resolutions passed by the Canadian Pacific Railway Company, and by each of these three railway companies at regular meetings of their shareholders. A document was signed by each of the companies with respect to their being in favour of the bill and of the amalgamation with the Canadian Pacific Railway Company. When this bill is passed these companies will disappear, and so will all the clerical work connected with them.

If honourable senators have any questions that I am able to answer I shall be pleased to answer them.

Hon. Mr. Pearson: Can the honourable senator say when the C.P.R. bought up the stocks and bonds from the original owners? In other words, for how long has the Canadian Pacific Railway Company actually owned these lines?

Hon. Mr. Bouffard: I do not know the exact length of time, but the leases must have commenced when the Canadian Pacific Railway Company became the owner of the stocks and bonds. The Joliette and Brandon Railway Company was incorporated in Quebec in 1905, and it was leased to the Canadian Pacific Railway Company in 1906 for a period of 94 years.

The lease of the Saint John Bridge and Railway Extension Company was made in 1943 for 999 years. In that case the Canadian Pacific Railway Company more recently became the owners of the stocks and bonds. The lease of the Saint Stephen and Milltown Railway Company is dated May 1, 1897 and is for a period of 99 years, so that line has been operated by the Canadian Pacific for over 68 years. I presume that the C.P.R. was at that time at least the owner of the majority of the stocks and bonds. Whether it acquired more stock in later years I do not know, but that information will be made available in committee.

Hon. Mr. Reid: Will the passing of this bill change the relationship between the C.P.R. and the companies?

Hon. Mr. Bouffard: No, not at all. The C.P.R. is acquiring all the assets and is taking over all of the liabilities of these corporations, and the railways will be operated under the name of the Canadian Pacific Railway Company rather than under the individual names.

Hon. Mr. Pratt: Does the C.P.R. own all the assets?

Hon. Mr. Bouffard: Everything—all the outstanding shares, stocks and bonds.

Hon. Mr. Pouliot: I wonder if the Saint John Bridge and Railway Extension Company goes to Fredericton, the capital city of New Brunswick?

Hon. Mr. Bouffard: No. The Saint John Bridge and Railway Extension Company is a short line starting at Lancaster and going into the city of Saint John. It is less than a mile in length. It goes over the bridge to the city of Saint John and connects with the C.P.R. there.

Hon. Mr. Pouliot: Naturally I have no power of attorney to speak on behalf of our distinguished colleague from Northumberland-Miramichi (Hon. Mr. Burchill), but the other day he complained that the Canadian National Railways and the Canadian Pacific Railway Company had ceased to give passenger service to the city of Fredericton, the capital of New Brunswick. I would like to know whether the present legislation will affect Fredericton?

Hon. Mr. Bouffard: It does not affect Fredericton at all; it does not go to Fredericton. In any event, there will be no abandonment of any line or any curtailment of the services unless so authorized by the Board of Transport Commissioners.

Hon. A. J. Brooks: Honourable senators, I am quite familiar with the line from Lancaster to Saint John. It has always been part of the C.P.R. As was said a moment ago, the bonds were taken over by the C.P.R. some sixty years ago. The purpose of the line was merely to connect Lancaster, or Fairville, as it was called at that time, which was a terminal of the C.P.R., with the new union station built in Saint John when the railway bridge was constructed across the river.

As far as the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) is concerned, on Thursday last he addressed a question to me regarding the closing of the line from Fredericton Junction to Fredericton, which of course has been operated by the privately-owned C.P.R. It is not a Government line at all. Unfortunately, this reflects what is happening all across Canada in that railways are having to discontinue lines because of insufficient passenger traffic. Fredericton has a modern airport and most people now travel by air, bus or private automobile.

I do not want to delay the house, but I might relate a little story about a meeting which I attended in Ottawa not so many years ago, to which the residents of a certain community some miles from this city came to complain about the abandonment of certain train service from their community to Ottawa. There were in attendance forty-four people from the centre involved, and the representative of the railway pointed out that of those forty-four people, forty had come to Ottawa by private automobile, and of the remaining four who had come by train three had used railway passes. I feel that illustrates the major reason for the abandonment of rail services across Canada. People are travelling by other means, and I do not think anyone is to blame.

Hon. Mr. Smith (Queens-Shelburne): Except in the Gaspé peninsula.

Hon. Mr. Brooks: Well, that line is not for passengers but for freight, and its purpose is to open up mining and other industries.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, bill referred to the Standing Committee on Transport and Communications.

PRIVATE BILL

THE UNITED CHURCH OF CANADA—SECOND READING

Hon. George S. White moved the second reading of Bill S-16, respecting The United Church of Canada.

He said: Honourable senators, at present The United Church of Canada limits investments in common stocks to 15 per cent of the ledger assets of the corporation, and the purpose of this bill is to remove those limits.

The United Church of Canada came into existence in July 1924, under act of federal Parliament, chapter 100. Section 18, subsection (c) of the original act dealt with the investment powers of church funds. At that time the securities in which the church could invest were somewhat restricted. In 1951 section 18, subsection (c) was repealed and the church was given authority to invest its funds, subject to the limitation on investments, in stocks, bonds and debentures as set out in the Canadian and British Insurance Companies Act, chapter 31 of the Revised Statutes of 1952. Section 63 of this act, which covers some seven and one-half pages, sets out very clearly a long list of investments that may be made under the act. An amendment which was passed in the session of 1960-61, being chapter 13 of the Revised Statutes of 1960-61, covers some four and one-half pages.

Here we are concerned with section 63, subsection (7) of the Canadian and British Insurance Companies Act, which reads as follows:

> The total book value of the investments of a company in common shares shall not exceed fifteen per cent of the book value of the total assets of the company.

The present bill is simply an amendment providing that the investments by the church shall not be subject to the limits as set

out in subsection (7) of section 63. The administration of finances of the United Church of Canada is the responsibility of the Board of Finance, which is composed of forty-three members representing all areas and branches of the church. The administrative functions of the board are conducted through three departments: the Pension Department, the Missionary and Maintenance Department, and the Treasury Department. It is the Treasury Department which keeps the accounts of the church, conducts the general business and supervises all investments made by the church.

That department has an investment committee, primarily composed of laymen experienced and skilled in the field of investments. They are as follows: Mr. A. H. Lemon (Chairman), Vice-President and Treasurer, The Canada Life Assurance Company; Mr. M. A. Bradshaw, Vice-President in charge of finance, The North American Life Assurance Company; Mr. D'Arcy Dingle, Vice-President, Wood, Gundy and Company Limited; Mr. C. L. McCutcheon, retired, formerly Vice-President, Bankers Bond Corporation Limited; Mr. H. R. Jackman, President, the Debenture and Securities Corporation of Canada; Mr. W. N. McLeod, retired, formerly Chairman of the Board of Moore Corporation Limited; Mr. Fraser Wilson, Secretary, The T. Eaton Company Limited; Mr. E. H. Ainlay, Treasurer, National Trust Company Limited.

At the present time the invested assets of the United Church total some $45,400,000, held in three separate funds, as follows: The Pension Fund of $25 million is for the ministers of the church, their widows and orphans. The Lay Employees' Retirement Plan, $2,400,000, is for the lay employees at the church headquarters, in church-run institutions, or employees of local United Churches. The General Funds of $18 million, are made up of permanent endowment funds, special accounts, and reserve funds.

Honourable senators, if this bill receives second reading, I shall move that it be referred to the Committee on Miscellaneous Private Bills. When the committee meets, the legal counsel for the church will be present, and he will have with him some of the head officials of the church who will be glad to give any further explanation or information that might be requested.

Hon. Mr. Reid: May I ask the sponsor of the bill (Hon. Mr. White) if the last figure he mentioned, $18 million, is included in the total of $45,400,000, or is it in addition to that amount?

Hon. Mr. White: No, it is not in addition. The three funds I mentioned make up the total of $45,400,000.

Hon. Mr. Macdonald (Brantford): May I ask the honourable gentleman who introduced the bill, what branch or body of the church asked for this amendment?

Hon. Mr. White: All I can say to the honourable senator is that my interviews have been with the local solicitor who acts for the United Church, and I do not think I could say who in the church asked for the amendment.

Hon. Mr. Macdonald (Brantford): I wondered if that had ever been discussed at the meeting of the general assembly?

Hon. Mr. White: I cannot tell you, sir. However, I understand that when the bill is discussed in committee, the two head officials of the church will be present to give that information.

Hon. Mr. Macdonald (Brantford): Can the honourable gentleman tell the house if other churches in Canada have a provision in their charter similar to this proposed amendment?

Hon. Mr. White: I am afraid I cannot answer that; I do not know.

Hon. Mr. Macdonald (Brantford): I am trying to learn why the church is requesting this amendment, and what branch of the church is seeking it. It occurred to me that it might be done to bring it into line with other churches of comparable size in Canada. I do not understand why the proposal is being made. The church can now invest 15 per cent of its funds in common stocks. Obviously it wants to have the right to invest more than 15 per cent.

Hon. Mr. White: That is correct.

Hon. Mr. Macdonald (Brantford): Would that apply to the pension fund only, or to the other two funds also?

Hon. Mr. White: I refer the honourable senator to the brief explanatory note of the bill which says:

> At present the United Church of Canada Act limits investments in common stocks to 15 per cent of the ledger assets of the corporation and this in turn limits the corporation's Pension Fund. The purpose of the amendment is to remove this restriction.

Hon. Mr. Macdonald (Brantford): My point is, is the purpose of the amendment to remove the restriction only from the moneys which are held by the pension fund?

Hon. Mr. White: All I can say to that is that the restriction in the act simply says that the total book value of the investments of the corporation shall not exceed 15 per cent of the book value of the total assets of the

corporation; so I suppose it would apply to whatever would be covered by 15 per cent.

Hon. Mr. Roebuck: May I ask the honourable gentleman what is the restriction in the Companies Act as to the amount of the assets which may be invested in the common stock of other corporations, and would the Companies Act provide a basis, were we to strike out this 15 per cent limitation in the present act?

Hon. Mr. White: I do not think that would apply, because the amendment to the United Church of Canada Act specifically gave them a power to invest as provided for by the Canadian and British Insurance Companies act, and subject to all the restrictions in that act. Of course, when it came under that act it was limited to 15 per cent of the book value of the assets. All it is asking now is to remove that 15 per cent restriction. I do not think the Companies Act would apply in this case, for I believe it has its own special powers and restrictions.

Hon. Mr. Isnor: I take it that the pension fund of the church consists of moneys belonging to individuals and—

Hon. Mr. White: Belonging to the church.

Hon. Mr. Isnor: Yes, belonging to the church; but the church is a trustee only of these pension moneys. At present there is a limitation on the investments of this fund to 15 per cent. You propose to remove that restriction in order to allow the church to invest in common stocks up to 100 per cent. That is different from the Companies Act and the Trust Companies Act which have a safeguard of, I believe, 20 per cent. It is the general practice of companies, even with pension schemes, to limit investments in so far as common stocks are concerned. I think that is the point the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) had in mind.

Hon. Mr. White: Well, I am quite satisfied that the officials of the United Church would have no intention of investing 100 per cent of their assets in common stock.

Hon. Mr. Isnor: They might not.

Hon. Mr. White: One of the reasons I put on record the names and positions of the officials who compose the investment committee was to show that they are among the most outstanding financial men in Canada, and I am sure that in the supervision of the church's activities they would never permit anything like 100 per cent of the assets to be invested in common stock.

Hon. Mr. Isnor: I do not think we are questioning their ability in so far as finances are concerned, but we are dealing here with a trustee fund and up to the present that fund could only invest in common stocks to the extent of 15 per cent. Now you are proposing to take away that 15 per cent restriction entirely and, as I said before, because the tendency today is to get a little better return on investments, they might be inclined to invest to a greater degree in common stocks. That is the point.

Hon. Mr. Macdonald (Brantford): Honourable senators, again I rise, this time to ask the question whether the intention is just to seek the power to invest this pension fund under the provisions of the present bill, or to invest all of the funds under its provisions?

Honourable senators will notice that in paragraph 1, subclause (c) it is stated "invest and re-invest its moneys". Now, that would be all its moneys, I would think. And then it goes on to say, "to invest and re-invest its moneys, including moneys held for the Pension Fund of the Corporation." I do not know why that fund is singled out from the other money. Probably we could get that information in committee.

Hon. Mr. White: I think the answer to the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) is that there are two pension funds, one for the ministers, their wives and orphans; the second pension fund is for the lay employees of the church, their institutions and so on; and there is a third fund called the General Funds, which is made up of permanent endowment funds, the special fund, and reserve fund. So I take it that the reference in subclause (c), "to invest and re-invest its moneys", refers to the permanent endowment funds, and that the reference to the Pension Fund is to the two specific funds I mentioned.

Hon. Mr. Macdonald (Brantford): I thank the honourable gentleman for his answer. Probably we could have that answer enlarged on when we are in committee.

Might I also ask the honourable gentleman if the bill has been discussed with the Superintendent of Insurance and has it met with his approval, and if it is the intention of the honourable sponsor of the bill to have the superintendent attend the committee meeting?

Hon. Mr. White: I may say to the honourable Leader of the Opposition that I have attempted to get in touch with Mr. MacGregor, but he is away. I then called Mr. Humphrys, his assistant, and he told me that it was not necessary to have this amendment approved by his department, that under the terms of the bill there was no obligation on

this corporation to make any reports or anything of that nature to the Department of Insurance. So it is not my intention to have Mr. MacGregor or anyone from his department at the committee meeting.

Hon. Mr. Macdonald (Brantford): Whom may we expect to have?

Hon. Mr. White: I am told that counsel for the church and at least two of the head officials will be there.

Hon. Calvert C. Pratt: Honourable senators, as to these funds I do not think there is need for concern, because they are especially provided for under the provisions of the Canadian and British Insurance Companies Act, which in itself surely is a safeguard, which would be quite sufficient for the administration of the funds. Insurance companies are regularly administering pension funds and so forth under this act.

To my mind the only consideration for us here is the question that has been raised as to the authority for this enactment. Does it come from the controlling body of the church, that is, the general conference of the United Church, or is it from some administrative body which might not have the actual authority within the church to require this to be done? As far as the practical application is concerned, my thought is that since the funds come under the provisions of the Canadian and British Insurance Companies Act, surely ample security is provided. I have some slight personal knowledge of the administration of the finances of the United Church. I have not had any personal participation in handling the funds referred to here, but I know something of the members who are administering the various funds. There are in those groups some of the most capable financial men in Canada, and they are guiding the church in these administrative matters.

Hon. Mr. White: Honourable senators, a moment ago when I was replying to the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) I told him that the only interview I had was with the legal counsel. I might say that any correspondence I have had has been with the Reverend Ernest G. Long, secretary of the United Church, but I have had no interview with him.

I am sure that when the bill is before committee all the various points in question that have been raised by honourable senators will be answered to their entire satisfaction.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, bill referred to the Standing Committee on Miscellaneous Private Bills.

PRIVATE BILL

GREYMAC MORTGAGE CORPORATION—SECOND READING

Hon. John J. Connolly moved second reading of Bill S-18, to incorporate Greymac Mortgage Corporation.

He said: Honourable senators, this relatively simple bill is to incorporate Greymac Mortgage Corporation under the general provisions of the Loan Companies Act.

The incorporators are all Canadians, I am informed, and most of them are lawyers, experienced in the field of mortgage work.

The capital of the company is to be $1 million. The Superintendent of Insurance to whom the bill has been referred has prescribed that before a general meeting of shareholders can be held at least $500,000 must be subscribed, and that before the company commences business $200,000 must be paid into the treasury. The head office of the company will be in Hamilton.

Honourable senators, perhaps I should say something about the bill itself. A mortgage company of this character cannot, under the provisions of section 4 of the Loan Companies Act, be incorporated by letters patent; it must be incorporated by act of Parliament. The bill which is submitted to Parliament in the normal case is in the form of the model bill provided in the schedule to the act. In this case the form in the schedule to the act has been rigidly adhered to.

The powers of a company incorporated in this way are set out in the Loan Companies Act and, more specifically, in sections 60 and 62 of that act. I restrict myself to those two sections because they are the two powers section, and they are so referred to in the interpretation section, namely, section 2 (1) (f).

One of the powers provided in section 60 of the Loan Companies Act for a company of this character is the power to lend money on the security of mortgages. Section 62 also allows the company to act as agent for other companies or individuals supplying money for the purpose of lending upon the security of mortgages.

Under the provisions of section 60(1)(f) of the Loan Companies Act, companies of this kind are restricted in the amount of money they can lend on the security of mortgages to two-thirds of the value of the land which is to be taken as security. However, such a company—and I am told this is the intention of

the incorporators of this company—can become an "approved lender" under the provisions of the National Housing Act by applying for that status to the Central Mortgage and Housing Corporation. Of course, great advantages accrue to borrowers if they can come within the provisions of the National Housing Act. This act permits lenders to lend to a greater percentage of the value of the land, and to extend longer terms than are normally allowed in conventional mortgages. There are certain privileges of repayment specified in the National Housing Act which normally do not apply in the case of conventional loans. And, perhaps more important than anything else, the loans are insured.

I believe it can be said generally that this company proposes to occupy a portion of the field now occupied by the lending institutions of this country which qualify as "approved lenders" under the National Housing Act. I am informed that there are various ways and means of attracting funds to a company like this, and that it expects to fill some of the vacuum that from time to time exists when regular lenders, the big institutional lenders of Canada, have exhausted the funds they have allocated particularly for loans under the National Housing Act.

The bill has been submitted to the Superintendent of Insurance. I cannot assure honourable senators that he will be present at the committee hearing, but if honourable senators require either him or someone from his office to be present, I am sure there would be no difficulty in having a representative attend.

As this is a private bill, I think the appropriate committee to which it should be sent is the Standing Committee on Banking and Commerce.

Hon. Mr. Aseltine: Will the company be lending on farm lands?

Hon. Mr. Connolly (Ottawa West): I do not think there is any restriction in that respect.

Hon. Mr. Aseltine: What is the intention?

Hon. Mr. Connolly (Ottawa West): The intention is to take advantage of the provisions, mainly of the National Housing Act.

Hon. Mr. Brunt: What is the par value of the stock?

Hon. Mr. Connolly (Ottawa West): I wondered about that myself.

Hon. Mr. Brunt: Since it has not been fixed, I presume that it will be fixed by the act and will be $100 per share?

Hon. Mr. Connolly (Ottawa West): I am afraid the honourable senator will have to wait until the committee hearing to obtain an answer to that question.

Hon. Mr. Macdonald (Brantford): I understand that a company incorporated under the Loan Companies Act can receive deposits. My question is: will this company be empowered to invest all its funds in loans under the National Housing Act? Is there any restriction as to how much of its funds can be used under the National Housing Act? Were it not for the National Housing Act, they could invest in mortgages only up to 60 per cent of their value.

Hon. Mr. Brunt: Sixty-six and two-thirds per cent.

Hon. Mr. Macdonald (Brantford): Yes, sixty-six and two-thirds per cent, under the amendment. But they are going to be empowered to invest in mortgages under the National Housing Act, and that allows investment of up to 90 per cent in some cases.

Hon. Mr. Brunt: That is right, but it is guaranteed.

Hon. Mr. Connolly (Ottawa West): That is quite so. I think the honourable senator must make a distinction between the percentage of the value of the real estate up to which the company can loan, and whether or not it will be lending all of its assets. Certainly, in the latter case I believe it is a matter of business judgment. I presume that, like any other lending company, it would decide in a given period of time that it would have so much money to lend. For the sake of argument, let us say it planned to put out $200,000 over a period of six months. That would go out on the basis of each individual loan being scrutinized; if it were under a National Housing Act, and if it were a multiple family unit, then it could lend up to 80 per cent of the value of the land and buildings to be mortgaged in that particular case.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Connolly (Ottawa West): Honourable senators, perhaps it might be appropriate to send this bill to the Standing Committee on Banking and Commerce, if honourable senators agree. The honourable senator from Hanover (Hon. Mr. Brunt) about a year ago introduced a bill under the Loan Companies Act, which, though it was quite different from this one, was studied by that committee.

Hon. Mr. Brunt: That is right.

Hon. Mr. Connolly (Ottawa West): Therefore I would move that it be referred to the Standing Committee on Banking and Commerce.

On motion of Hon. Mr. Connolly (Ottawa West), bill referred to Standing Committee on Banking and Commerce.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-143, for the relief of Gerhard Hermann Buchholz.

Bill SD-144, for the relief of Joseph Fortin Decelles.

Bill SD-145, for the relief of Guy Bertrand.

Bill SD-146, for the relief of Dorothy Hazel Neila Beausoleil.

Bill SD-147, for the relief of Dorothy Estelle Lord.

Bill SD-148, for the relief of Claire Bradford.

Bill SD-149, for the relief of Leonard Marchand, otherwise known as Leonard Mihalcean.

Bill SD-150, for the relief of Olga Antonina Burkousky.

Bill SD-151, for the relief of Sheila Wolofsky.

Bill SD-152, for the relief of Geraldine Cecilia Gohier.

Bill SD-153, for the relief of Jean Helen Dennan.

Bill SD-154, for the relief of Michele Breuer.

Bill SD-155, for the relief of Magella Bergeron.

Bill SD-156, for the relief of Wilhelmina Grundy.

Bill SD-157, for the relief of Lillian Florence Catherine Hurst.

Motion agreed to and bills read second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 166 to 198, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 23, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

CANADA GRAIN ACT

BILL TO AMEND—FIRST READING

Hon. Walter M. Aseltine presented Bill S-19, to amend the Canada Grain Act.

Bill read first time.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for second reading next sitting.

Motion agreed to.

REPRESENTATION ACT

BILL TO AMEND—THIRD READING

Hon. Mr. Aseltine, for Hon. Mr. Brunt, moved the third reading of Bill C-14, to amend the Representation Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

SALVATION ARMY GOVERNING COUNCILS—THIRD READING

Hon. Arthur L. Beaubien, for Hon. A. K. Hugessen, moved the third reading of Bill S-11, respecting The Governing Council of The Salvation Army, Canada East, and The Governing Council of the Salvation Army, Canada West.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF A LINE OF RAILWAY BETWEEN MATANE AND STE. ANNE DES MONTS, QUEBEC—THIRD READING

Hon. Lionel Choquette, for Hon. Léon Méthot, moved the third reading of Bill C-67, to authorize the construction of a line of railway between Matane and Ste. Anne des Monts, Quebec.

Hon. Gordon B. Isnor: Honourable senators, on Tuesday evening the Leader of the Government (Hon. Mr. Aseltine) tabled the annual report of the Canadian National Railways as well as the annual report of the Trans-Canada Air Lines, and I think in all fairness to the C.N.R. a few brief remarks on this bill may not be amiss.

I have no objections to the construction of the railway to serve the Gaspé coast, if it is going to assist the mining interests and other industrial developments in that sector; but in view of the financial charge which will be placed on the shoulders of the Canadian people, and the fact that they might misjudge this undertaking as placing an additional deficit as a result of the operation of the C.N.R., I believe it should be made abundantly clear that this is guaranteed by the Government. The Government took the initiative, and I would judge from the evidence of a witness, given at the committee hearing yesterday, that the C.N.R. would not have undertaken the project had it not had been brought to its attention by certain interests. It was shown that the estimated cost per mile of the proposed line will be $248,000, as compared to the average of about $175,000.

In addition to that, one has to take into consideration the capital expenditure of anywhere between $14 million and $16 million, plus additional expenditures which will naturally accrue. That means that an additional tax burden will be placed indirectly on the Canadian people. It will be taken for granted by the average citizen that this represents a further deficit incurred by the C.N.R.—one of $500,000, or $750,000, or probably even $1 million per year, running over a long period.

There is no immediate prospect of the anticipated earnings being sufficient to carry this charge, and for that reason I wonder why this particular project is being undertaken at this time. Of course, some are unkind enough to say that this legislation has been introduced just before an election. I do not say that, but one must bear in mind that in the Maritimes, especially in Nova Scotia, railway lines have recently been abandoned. Just last session the honourable senator from Cape Breton (Hon. Mr. Macdonald) introduced a bill to abandon one railway line leading from our coal mines. For this reason I am led to wonder whether this bill has been introduced to assist employment. During the sitting of the committee it was stated by Mr. Dingle, a vice-president of the Canadian National Railways, that this proposed undertaking would give employment to possibly 150 men during the course of construction, but that later it would mean additional employment for only 20 to 25.

In view of the facts stated in committee, I believe it is only fair to the Canadian National Railways, in view of the publicity given to their deficit of $67 million, that we should place on record, and before the public, the fact that while we have no objection to the bill, a charge of perhaps $1 million per

year will have to be assumed by the taxpayers of Canada.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READING

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-143, for the relief of Gerhard Hermann Buchholz.

Bill SD-144, for the relief of Joseph Fortin Decelles.

Bill SD-145, for the relief of Guy Bertrand.

Bill SD-146, for the relief of Dorothy Hazel Neila Beausoleil.

Bill SD-147, for the relief of Dorothy Estelle Lord.

Bill SD-148, for the relief of Claire Bradford.

Bill SD-149, for the relief of Leonard Marchand, otherwise known as Leonard Mihalcean.

Bill SD-150, for the relief of Olga Antonina Burkousky.

Bill SD-151, for the relief of Sheila Wolofsky.

Bill SD-152, for the relief of Geraldine Cecilia Gohier.

Bill SD-153, for the relief of Jean Helen Dennan.

Bill SD-154, for the relief of Michele Breuer.

Bill SD-155, for the relief of Magella Bergeron.

Bill SD-156, for the relief of Wilhelmina Grundy.

Bill SD-157, for the relief of Lillian Florence Catherine Hurst.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 21, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. Sydney J. Smith: Honourable senators, as many previous speakers have mentioned, Bill S-2 is the third in a series of three bills, all of which have aimed at providing for the disclosure of information in respect of finance charges. The version which is before us now reflects some of the sound criticism which was directed at the two previous bills. I regret that the honourable sponsor of this bill (Hon. Mr. Croll) is not in his seat, for I wish to congratulate him on his amending it so that it is now divorced from the Criminal Code. The bill has also been trimmed down and now applies to the field of consumer credit only, and has no application to cash loans, mortgages on real estate and that sort of consumer finance.

The bill in its present form meets two of the three major objections I made to last year's bill. I feel, naturally, that my criticism at that time was not in vain, and I consider the bill in its present form worthy of further study, particularly in connection with the requirement that the finance charges shall be expressed as a percentage of simple annual interest. I am sure the honourable sponsor of the bill (Hon. Mr. Croll) continues to welcome observations and suggestions that are intended to help him accomplish his basic object, and in this respect I wish to repeat my third major objection of last year, and point out why I consider that the bill in its present form raises a very serious problem.

It is quite apparent that the honourable senator from Toronto-Spadina realizes that the calculation of the finance charges in terms of simple annual interest is a difficult one, for he disposes of it by providing that the regulations under which this act will operate will be made by the Governor in Council. In my opinion this is akin to sweeping the problem under the rug. The method or formula for determining the percentage rates should be spelled out in the bill. If not, the act will be ineffective. I am satisfied that if the bill in its present form becomes law it will either go on the shelf and be forgotten, or it will become the subject of long and expensive litigation and may eventually be amended.

Some honourable senators who have spoken in this debate have expressed confidence in their ability to produce some simple table or chart that could be used by a vendor to determine the required percentage rate. This matter should be pursued by the committee in an effort to arrive at some solution of the problem, and to canvass the possibility of producing such a table or chart from which a rapid and reasonably accurate calculation of the exact rate could be made.

This bill confines itself to the sale of goods and services on a consumer credit basis, and I want to say something about the people who are engaged in this type of time-sales business. Generally speaking, the people who are engaged in the sale of goods and services on a consumer credit basis are honest, respectable and responsible people. They have to be such under our present competitive system, but while competition controls to some extent the methods used in business, I know that there are exceptions.

As I said when speaking on a similar bill in the past, we find scoundrels and scalawags in every walk of life, and I can just hear someone say, "We should do something to control the operations of such people". I am in complete agreement with that thought, but I think we should look beyond abuses that may exist; that is, while not overlooking abuses, we should look beyond them in an effort to find a workable method for dealing with them. It is one thing to diagnose an illness, but whether you diagnose it rightly or wrongly it is an entirely different matter to prescribe a cure, and sometimes the cure is worse than the disease. It may call for trying one method and then another, and the process of trial and error can long delay the cure.

In connection with the subject now under consideration, if we follow a process of trial and error in an effort to control certain operations by legislation, we may find it will take a long time to accomplish much. I do not think that responsible and reputable businessmen engaged in consumer credit business are unwilling or even reluctant to declare openly the cost of their credit service. I can speak with some authority about the automobile business, which is responsible for about two-thirds of all consumer business done in Canada. I have examined the time-payment contract forms used by the major automobile finance companies in Canada, and I say without any hesitation that they all provide for a complete statement of finance charges. They must do this in order to comply with the provincial laws which exist in most if not all provinces. I know that in British Columbia we have an act controlling this sort of thing. It is patterned to a large extent on the Ontario law, which was referred to during this debate by the honourable senator from Hastings-Frontenac (Hon. Mr. White).

Over a period of some 40 years I have had thousands of these forms cross my desk as completed contracts, and I have yet to see one single contract that would give any person who can subtract one figure from another any difficulty in ascertaining the difference between the cash price and the time price. The details and figures are plainly written, and the operators who handle this class of time-payment business have no objection to a law that would make it mandatory for them to do what they are already doing.

There is one obligation prescribed in this bill that worries them, namely, that imposed by clause 3, subclause (c), which calls for setting out the percentage relationship, expressed in terms of simple annual interest, that the total amount of the finance charges bears to the unpaid balance outstanding under the transaction. No one has ever been able to convert the sum that represents the difference between the cash price and the total time price into a percentage rate, based on simple annual interest and within a reasonable degree of accuracy, by a formula that would lend itself to rapid calculation. According to the bill this act when passed will be subject to regulations referred to in clause 5. That clause reads as follows:

> The Governor in Council may make regulations prescribing
>
> (a) the form and manner in which the written statement referred to in section 3 is to be made;
>
> (b) the manner of calculating the total amount of the finance charges to be borne and the manner of calculating the simple annual interest thereon in respect of any transaction or type of transaction; and
>
> (c) the degree of accuracy within which the total amount of the finance charges and the annual interest thereon shall be calculated.

That is an open admission that there is a problem here, and provision must be made for a margin of accuracy. I shall come back to that in a few minutes.

If I were opposed to this bill and did not wish it to come into effect at all, I would be quite satisfied to leave it unaltered because I am convinced that it could not be made to work. If it is left to the Governor in Council to produce regulations under which it will operate, I cannot imagine the Cabinet, or any other body, taking the responsibility of producing a formula for arriving at the percentage rate which would make this legislation workable.

I am sure the honourable senator who sponsored the bill (Hon. Mr. Croll) will not object to my borrowing his example of the $20 battery deal. I think the example originated with the Retail Merchants Association, which received 25 replies to inquiries made in order to ascertain the interest rate in percentage points of a $2 finance charge. The 25 replies contained 25 different answers. With reference to the 25 different answers, the honourable senator who sponsored the bill said:

> That may be true, but they would all be reasonably close.

Well, I have done some checking too and I am not at all sure that they would be reasonably close. The honourable senator himself made a rapid calculation in the house, treating this as a two-month credit, which it is not, and on that basis he arrived at a 60 per cent simple annual interest rate on a figure of $20, for two months.

Another honourable senator who dealt with the same question said he made the calculation on the basis that the average amount of money outstanding over the period of two months would be $10 and not $20, and that therefore the effective or true rate of interest on an annual basis would be 120 per cent.

As I have said, I did some checking myself but before giving you my answer I would like to call attention to the regulations provided for in the bill for prescribing the degree of accuracy of calculations. What would be a reasonable degree of accuracy to be prescribed by the regulations? Should it be one-half of 1 per cent, 2 per cent, 5 per cent, or 25 per cent, 50 per cent or even 100 per cent?

Now, I have had an actuarial rate struck on this example which was given by the honourable gentleman (Hon. Mr. Croll). As a matter of fact, it was arrived at by the mechanical or electronic calculator and rechecked by three individuals on a per diem basis, and would therefore be accurate. As I will explain later, this is not a two-month loan, but is only a matter of days. It checks out on that basis to 146 per cent, which shows what little meaning the percentage rate has, when one considers the facts related to the actual transaction. In such a case, however, at 146 per cent, which I am satisfied that I can show is an accurate rate, the two honourable gentlemen who arrived at an answer by rapid calculation methods were out 86 per cent and 26 per cent respectively. I can understand quite easily that the 25 persons who sent replies to the retail merchants might all vary, and I am not at all prepared to accept the assumption that they were reasonably close to the accurate rate.

Before I leave this $20 battery deal, I wish to point out to honourable senators that such an example is very misleading as compared with, say, the example of the sale of an automobile for $5,000, with a cash payment of 40 per cent and the balance over a long term, or the sale of an expensive airplane to an established air line with established credit. I can assure you that a great deal of air line equipment is financed by finance companies, just as printing plant machinery, bakeshop equipment, and even new roofs for buildings, are financed in this manner. Time-payment deals for larger amounts, particularly if there is a substantial cash payment, or if the purchaser has established a good credit record, involve finance charges that when converted to a percentage rate would produce a figure quite incomparable to the rate applying to a small deal, without any cash payment, and to an obviously questionable credit risk.

It would be hard to find a more extreme case than the one used of a $20 sale, without any down payment, repayable in four small instalments over a period of 46 days, carrying a finance charge of $2, which works out to 146 per cent per annum simple interest.

The service station that sold the battery cannot exist on the sale of one battery; it sells hundreds, perhaps thousands of batteries. Let us say they sell 100 batteries to similar customers, on similar terms as used in the example. It is a foregone conclusion that some of 100 customers will walk in on due dates and make their payments. It is also a foregone conclusion that many will be late, that some will never walk in—they will have to be chased at great expense—and that some of the money will never be collected. So who would say that the vendor is not entitled to a $2 finance charge, regardless of the simple annual interest rate? I do not think anyone would object to that small finance charge per deal, which in the case of 100 customers would amount to only $200. It would be a common experience for a dealer in making 100 such deals to lose more than $200, which he would never collect, to say nothing of what he might spend trying to collect.

The proposal to express finance charges in terms of interest is not a new idea. It has been studied by scores of committees and commissions, with the result that there is a tremendous volume of reliable material in book form available to the researcher. A study of such material reveals that interest is a payment for waiting for the return of money—for "forbearance", more specifically—and this is the most important thing to observe: pure interest is a payment for forbearance on a riskless investment.

Among the authorities I have read is a book written by a renowned economist, entitled *Principles of Economics,* published in 1890 by Macmillans of London. It sums up the situation better than anything else I have read. At page 620, in commenting on the problem of cost in connection with loans, it says:

> When there is any risk that the interest and the capital will not be duly paid, a special allowance must of course be made under this head for insurance against risk. This is obvious, and is not often overlooked. But it is less obvious that every loan causes some trouble to the lender; and that from the nature of the case, the loan involves considerable risks, a good deal of trouble has often to be taken to keep these risks as small as possible; and that then a great part of what appears to the borrower as interest is, from the point of view of the lender, earnings of management of a troublesome business.

I point these things out, honourable senators, not as destructive criticism, but as evidence of the grave complexity of the problem involved in this bill relating to the percentage rate on a simple annual interest basis. One solution might be to make it mandatory for vendors of goods and services, on credit, to use the services of licensed actuarial experts, who of course would charge a fee which would have to be included in the finance charge. This is what Pierre Berton did, according to the example given us by the sponsor of the bill (Hon. Mr. Croll). I imagine these experts would have to be licensed, if this is to be the solution to the problem. They would charge a fee under any circumstances, and that would be another item of cost. There is only one person to whose account it would be added and from whom it would be collected, and that is the purchaser.

Another solution would be for vending firms to buy or rent this calculating equipment, which is very expensive. That also would add another item of cost which would find its way into the finance charge before the final total was arrived at.

Another solution would be to permit the use of the words "more or less" to be inserted after the figure purporting to be the rate. Still another solution would be to eliminate the percentage requirement from the bill entirely, as was suggested by one honourable senator. Yet another solution would be to await the report of the royal commisison that has been set up to inquire into all aspects of banking and finance. This body is now holding sessions throughout Canada. The great importance and the growing volume of consumer credit business in Canada will surely receive the attention of that commission. There is every reason to hope that the report and recommendations of the commission will offer something of interest.

I am glad to see that so many interested persons and organizations have taken the trouble to express their views on this bill to members of the Senate. The many letters and briefs that I have received are all from supporters of the bill, and I am going to do what I can to see that they get more than an unworkable, empty gesture. At no time has there been any evidence of a high pressure campaign or lobby by those opposed to it. Unfortunately, constructive criticism has been misinterpreted by some sections of the press and public to mean that the Senate is engaged in a battle between those who uphold the truth and those who do not. This of course is ridiculous.

If this bill, honourable senators, is referred to committee, I commend to it for further study and consideration the several alternatives that I have suggested to meet the difficulty related to the percentage feature of the bill.

On motion of Hon. Mr. Higgins, debate adjourned.

BUSINESS OF THE SENATE

Hon. Walter M. Aseltine: Honourable senators, I have been expecting all day to receive from the other place the bill dealing with supplementary estimates No. 3, for the fiscal year 1961-62 which comes to an end next week. There is a possibility that we will receive this bill shortly; in fact, from inquiries I have made I gather that it may reach us by four o'clock. However, as it is now ten minutes to four and we have no further information, it may be later.

All I can do at the present moment is ask the Senate to adjourn during pleasure to reassemble at the call of the bell when the bill becomes available. I would like to have it dealt with this afternoon, if possible, to meet the heavy payments which have to be made to the Canadian armed forces before the end of the month. It is already so late that it is doubtful that all will get their cheques by then. Therefore, I hope we can deal with these supplementary estimates this afternoon, so that there will be no more delay than is absolutely necessary under the circumstances.

For those reasons, I now ask that the Senate adjourn during pleasure to reassemble at the call of the bell.

Hon. Mr. Macdonald (Brantford): Honourable senators, I am just as anxious as is the Leader of the Government (Hon. Mr. Aseltine) to see that the troops receive their pay. I know that when I was a soldier if I did not receive my pay I did not like it very much.

Honourable senators, this is the same old story over again. Whenever we receive supplementary estimates, everything has to be done at the last minute. I was hopeful that there would be a change in this respect.

Hon. Mr. Thorvaldson: Honourable senators—

Hon. Mr. Macdonald (Brantford): My honourable friend from Winnipeg South (Hon. Mr. Thorvaldson) is about to blame it on the House of Commons. Now, he cannot blame everything on the other house. I know that the Government has taken a lot of blame, but they have a lot of blame to take for their responsibility in this matter.

When I am speaking on the bill I shall point out how many supplementary estimates we have had this year, and we have been in

session for two months. That is the way the country is being run. We should have had one set of supplementary estimates which included everything, and it could have been introduced a month ago. I would remind my honourable friend from Winnipeg South (Hon. Mr. Thorvaldson) and other honourable gentlemen, that this is not the final supplementary estimates. There is another one yet to come. Next week we shall have another one.

I say with deep regret that I am forced to go along with the Leader of the Government (Hon. Mr. Aseltine), and I am doing it for the sole reason that I do not want in any way to delay soldiers, airmen or seamen receiving their pay.

The Senate adjourned during pleasure.

At 5 p.m. the sitting was resumed.

APPROPRIATION BILL No. 2, 1962

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-78, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Walter M. Aseltine: For the reasons that I gave a short time ago, I move, with leave of the Senate, that the bill be read the second time now.

Hon. Mr. Reid: Have copies of the bill been distributed?

Hon. Mr. Aseltine: There are only a few copies of the bill, which is a very short one, but there are ample copies of the supplementary estimates, in case any honourable senator has not brought his copy with him. The bill is in the usual form consisting of four short paragraphs, providing for these moneys.

Hon. Mr. Reid: It is because I have a suspicious mind that I should like to see it.

Hon. Mr. Aseltine: I have an extra copy of the bill which I can give the honourable senator.

Hon. Mr. Reid: Thank you.

Hon. Mr. Aseltine: Honourable senators, I shall be as brief as I can in my explanation of the bill. It provides for payment out of the Consolidated Revenue Fund of a sum not exceeding $153,270,929, for the purposes mentioned in the supplementary estimates, which have now been before honourable senators for almost a month. I presume that all honourable senators have read and considered these supplementary estimates many times. I shall do my best to explain some of the more important ones, for your information.

Hon. Mr. Higgins: Are these the further Supplementary Estimates (3)?

Hon. Mr. Aseltine: Yes, No. 3.

First, I should like to deal with Vote 615, which provides $190,000 to cover the amount required for contributions to the Prairie provinces, to pay one-half of the amounts paid by the governments of those provinces to farmers in respect of the harvesting and baling of drought-ridden crops for fodder, to a maximum of $2.50 per ton. The other half, $2.50 per ton, has been paid by the provinces. This program was devised to encourage farmers to cut their early grain crops which were not worth harvesting as grain, but which could be made into good fodder for livestock, if cut at the proper time. The federal share was $190,000. In Manitoba 8,000 tons were cut and $20,000 was paid by the federal Government; in Saskatchewan, 65,000 tons were cut, and $162,500 paid by the federal Government; in Alberta, 3,000 tons, and $7,500—making a total of $190,000.

Hon. Mr. Reid: Who makes the estimate of the tonnage to be cut? You pay by the ton, $2.50 a ton?

Hon. Mr. Aseltine: The total price was $5 per ton; $2.50 was paid by the province which did the inspecting, and the other $2.50 per ton was paid by the federal Government.

As a result of this measure 75,000 or 80,000 tons of feed were produced, and in view of the fact the farmers destroyed what was left of their crops, they were paid this amount to reimburse them.

I turn to Vote 616. This also was found necessary on account of the drought in the Prairie provinces, which was not foreseeable. The sum of $100,000 is for the purpose of making better use of community pastures; $1 million is for water development, dugouts, stock watering dams, assistance to municipalities in drilling wells, and that kind of service. This was necessary because there had been no rain in many districts for over two years.

Work has been going on for some time on the St. Mary's irrigation project. It has been proceeding more rapidly than was expected. This improved progress was due to the long period of favourable weather. This makes it

necessary to provide now a sum of $500,000. The same situation applies to the South Saskatchewan River Dam project, for which $1,600,000 is required. That amount is required because the work is ahead of schedule, as a consequence of the favourable weather.

In the main estimates $13,050,000 was provided; the actual requirements are estimated now to be $14,650,000; therefore, the additional amount required is $1,600,000.

Hon. Mr. Macdonald (Brantford): Will that amount complete the dam in Saskatchewan?

Hon. Mr. Aseltine: No, I do not think so. It will not be completed until about 1965.

Hon. Mr. Macdonald (Brantford): You referred to the complete amount.

Hon. Mr. Aseltine: No, I do not remember referring to any complete amount.

Hon. Mr. Macdonald (Brantford): I thought you used those words.

Hon. Mr. Aseltine: I said that in the main estimates $13,050,000 was provided, but the actual requirements total $14,650,000. The difference between these two sums is the amount of this vote.

Hon. Mr. Wall: In regard to the $1 million for water development, am I right in presuming that this is added to the previous sum? Could the honourable senator tell us the total amount expended for water development, and in what province?

Hon. Mr. Aseltine: That is Vote 616. I said that $1 million is being provided for water development because of the drought conditions which prevail in those provinces. The amount of $550,000 was provided in the main estimates for this purpose. The expenditures and the number of applications received indicate that 1961-62 will be a record year for this assistance. It is anticipated that some 8,750 projects will receive assistance, at a total cost of $1,700,000.

There is also a program to assist municipalities is drilling wells, which was not provided for in the main estimates.

Hon. Mr. Reid: May I ask the honourable Leader of the Government if he has any information as to the amount of money that has already been spent on the South Saskatchewan Dam?

Hon. Mr. Aseltine: During the first years this project was behind schedule, and on that account considerable funds lapsed. Construction progress has been excellent this year due mainly to the splendid weather. The funds provided in the main estimates are insufficient if progress is maintained at the current level. That is the reason this money is needed at this time.

Hon. Mr. Reid: I still do not know how much money has been spent.

Hon. Mr. Macdonald (Brantford): You are still uninformed.

Hon. Mr. Aseltine: Honourable senators, I would like to refer next to Vote 636, which has to do with technical and vocational training assistance.

Hon. Mr. Isnor: I wonder if, before he deals with that, the honourable Leader of the Government (Hon. Mr. Aseltine), would tell me if I am correct in understanding that Votes 615, 616 and 617 in the amounts of $190,000, $3,200,000 and $498,693, for a total of $3,888,693 in supplementary estimates, all apply to the three Prairie provinces?

Hon. Mr. Aseltine: The two votes I mentioned first have to do with the Prairie provinces.

Hon. Mr. Isnor: Did you deal with the third one which is headed "special"?

Hon. Mr. Aseltine: Votes 615 and 616.

Hon. Mr. Isnor: What about Vote 617?

Hon. Mr. Aseltine: I was not going to deal with Vote 617. I can deal with it if you wish me to, but I do not have time to deal with every item.

Hon. Mr. Isnor: The point I make is that this is the third group of supplementary estimates, and when one looks at these items it can be seen that every one of them could have been included in the main estimates.

Hon. Mr. Aseltine: No. The main estimates provided for $690,483, and there have been no supplementaries prior to this one. This supplementary is for $498,693, and the total amount required is $1,189,176. If necessary I can give all the details of how that amount is made up, but it will take me some considerable time.

Hon. Mr. Macdonald (Brantford): And the soldiers will not get their pay.

Hon. Mr. Aseltine: Yes; I will come to that one presently.

I wish to deal next with Vote 636 which is for the large sum of $28,400,000. This has to do with technical and vocational training, and provides for payments to the provinces, the Northwest Territories and the Yukon under agreements entered into under authority of the Technical and Vocational Training Assistance Act. The agreements are in effect for a six-year period ending March 31, 1967, and include provision for a federal contribution of 75 per cent of expenditures incurred by the provinces prior to April 1, 1963, for training facilities, and after that the

contribution is to be 50 per cent. This supplementary estimate is required to meet additional claims which are anticipated as a result of the large expansion in the program to provide facilities for technical and vocational training as well as to meet increased operational expenses under several of the training programs.

An amount of $24,550,000 is for capital assistance for the various projects, 245 of which have already been given approval. One hundred and thirty-four are for new schools, 80 are for major additions, and 31 for minor additions. It is estimated that these projects will provide for 90,000 additional student placements. Included is one new institute of technology, 18 new trade schools, five new combined trade schools and institutes of technology, and 114 new vocational schools. The training programs—that is for youths and adults—include vocational high school training, technical training, trade and occupational training, training in industry, of unemployed persons, of disabled persons, of technical and vocational teachers, and vocational correspondence courses mostly for students of grade eight education and under.

There was provided in the main estimates $46,600,000; the total amount is $75 million, and the amount now required is $28,400,000.

Hon. Mr. Smith (Kamloops): May I ask the honourable Leader of the Government whether there is a deadline for applications under this scheme? In other words, have we passed the deadline or is there a further period for consideration of applications?

Hon. Mr. Aseltine: The deadline is March 31, 1967.

Hon. Mr. Wall: I understand the honourable leader has given us the number of students who might be housed under new buildings and extensions of present accommodation. Of those students, how many would be in the post-high school or technical college classification?

Hon. Mr. Aseltine: I do not have that information, but I believe the majority would have only a grade 8 education or less, because they are generally people who are unemployed at the present time.

Hon. Mr. Wall: Do I understand there is just one technical institute?

Hon. Mr. Aseltine: One new institute of technology, yes.

Hon. Mr. Wall: That is in Manitoba?

Hon. Mr. Aseltine: Yes. Then we come to Vote 643 under the Dominion Coal Board, and $4,800,000 is being voted for payments in connection with movements of coal under conditions prescribed by the Governor in Council. Electric power in Ontario placed an order for 200,000 tons with Nova Scotia producers, at a cost of $1,978,000.

The sum of $1,900,000 was used to provide for losses incurred by the Dominion Coal Company and associated companies in maintaining three coal mines in operation beyond the time ordinarily required for closure. The remaining $900,000 was to cover the increase in the amount of coking coal shipped for export to Japan. The original order was 500,000 tons. Subsequently that was increased, and the amount shipped was 700,000 tons. The subsidy was $4.50 a ton.

I come now to vote 644 for $35 million, which has to do with the Canadian Army. It is chiefly required to cover pay and allowances arising out of Cabinet decisions for an increase of 10,600 men in the Canadian Army in Canada, and an increase of 1,100 in the strength of the Canadian Army brigade in Europe, as well as for a special program for the training of 100,000 militia men during the winter of 1961-62, and to cover the cost of the acceleration of the national survival program. The estimated cost of the carrying out of these decisions was $37,742,000, but because of certain surpluses in other items it is estimated that $35 million will be sufficient. Details will be found on page 14 of the printed estimates. It will be noted that $23,120,000 is for pay and allowances. That amount is now due, and that is one important reason that these supplementaries should be dealt with by this House as expeditiously as possible.

Hon. Mr. Isnor: May I make an inquiry of the honourable leader? I understood him to say that the first order of coal for Japan was 500,000 tons, and that the second order was for 700,000 tons. My friend stated that the subsidy was $4.50 a ton. I find that it does not work out at $4.50.

Hon. Mr. Aseltine: I have full details here in my book; if the honourable senator wants me to go to the trouble, I will be glad to look it up.

Hon. Mr. Isnor: It is not necessary to give details; it is just a question of addition.

Hon. Mr. Aseltine: Perhaps my arithmetic is not as good as it should be.

Hon. Mr. Isnor: In connection with DOSCO, is any provision made for continuation of the so-called Mine 16? Perhaps the honourable senator from Cape Breton (Hon. Mr. Macdonald) would be able to answer that question for the information of the people of Nova Scotia and Cape Breton.

Hon. Mr. Macdonald (Cape Breton): As far as I know, honourable senators, there is no provision in these supplementary estimates. I might add that we are very hopeful that provision will be made by August so that Mine 16 will be able to keep in operation.

Hon. Mr. Aseltine: I come now to Vote 645—Royal Canadian Air Force. The main estimate was $235 million-odd. There were no previous supplementary estimates. This supplementary is for $31 million, making the total amount required $266,887,000. The $31 million is made up mostly of the purchase of aircraft and engines for which a total of $194 million was paid out.

The approved estimates provided for $146,800,000. The difference is $47,200,000, but there were certain surpluses left over from other estimates which reduced the amount required.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I wonder if the honourable leader would mind pausing there. Would he say whether the program that he is now discussing covered the CF-104 aircraft?

Hon. Mr. Aseltine: I have not the information as to kinds of aircraft.

Hon. Mr. Connolly (Ottawa West): It is my understanding that this may refer only to the CF-104, and I was wondering if the honourable leader would say what the cost of the total program is. I did not get the figure as he went along. That is to say, what is the original cost as estimated and the additional amount that is to be contributed to that program from this supplementary item of $31 million?

Hon. Mr. Aseltine: I thought I gave the amount of the main estimate, $235,887,000. There were no previous supplementaries to this supplementary of $31 million.

Hon. Mr. Connolly (Ottawa West): Is this related to a program in respect of one type of aircraft? Is it related entirely to the CF-104?

Hon. Mr. Aseltine: I am sorry, I cannot give that information. If it is available before I am through I shall be glad to give it to the honourable senator.

Hon. Mr. Connolly (Ottawa West): If the honourable leader could get the information I would be glad to have it for the allocation of either this aircraft or whatever other aircraft or parts are involved in this item.

Hon. Mr. Aseltine: I will obtain that information for the honourable senator.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Aseltine: I will deal next with Vote 669—Labour. This represents a loan of $25 million to the Unemployment Insurance Fund. It will only be used if it becomes necessary to do so between now and the end of May, when payments are at the peak. In June the amount contributed begins to overtake the amount paid out. This is just a safety measure, should there be heavy lay-offs in some parts of the country or should unemployment occur from a labour dispute. At the end of January last the balance remaining in the fund was $135,877,305. At present the outgoings are 17 per cent less than they were a year ago, which is an indication of general economic improvement.

Hon. Mr. Smith (Queens-Shelburne): I wonder if the honourable Leader of the Government could give us a little more information on this matter. Could he tell us what is in the fund now, and what is the rate by which the fund is being diminished by withdrawals from it?

Hon. Mr. Connolly (Ottawa West): Is this an indication that the general economic improvement will not continue?

Hon. Mr. Aseltine: I have a lot of information here, but I do not know whether I can decipher it. The figure I gave honourable senators was of January 31, 1962.

Hon. Mr. Smith (Queens-Shelburne): Was that figure $130 million-odd?

Hon. Mr. Aseltine: I said $135,877,305. I do not think I have the monthly figures for the period since that date. I shall have to obtain that information and supply it to the honourable senator at a later date.

Hon. Mr. Smith (Queens-Shelburne): The reason I ask this question is that from the beginning, when I learned that the Government contemplated lending the amount of $25 million to the fund, I could not see how that would be enough. I base my opinion on the experience of the fund over the last few years. From all the figures I could obtain—and I think they include the present year—the average loss was of the order of $160 million. We still have to obtain the figures for February and March. In the light of the experience over the years, both those months prove a very heavy drain on the fund. The demand tapers off in April and May, and by June the fund begins to pick up again.

It seems to me that is a relatively small amount to provide to attempt to recoup the losses sustained by the fund and that in a very short time somebody will have to advance even more money to the fund. My opinion is predicated on the serious losses to

the fund during these months of January, February and March, which are very heavy unemployment months.

Hon. Mr. Aseltine: I understand there is considerable improvement. The outgo, as I said, was 17 per cent less than it was a year ago. I am hopeful that the $25 million will be sufficient. My information is that it may not be necessary to loan this money at all—that is the hope. However, they want to have it available if it should be needed between now and the end of May.

Hon. Mr. Isnor: Would that be due to an increase in the rates paid by the employer and the employee?

Hon. Mr. Aseltine: There is an increase in the labour force, of course.

Hon. Mr. Isnor: There is an increase in the rates paid as between an employer and an employee since last March. Would that account for it?

Hon. Mr. Aseltine: I am not able to answer that question.

Hon. Mr. Smith (Queens-Shelburne): There is another question I should like to ask, but I do not want to make it difficult for the honourable Leader of the Government (Hon. Mr. Aseltine). I notice that the increase in contributions came in under legislation we had in force about a year ago, and related to the difference in the total. The increase in contributions from employers and employees for 1959-60 totalled between $40 million and $50 million. That increased amount, of course, did not do anything to solve the major problem of the drain on the fund. Now we are being asked to vote half that amount, which is supposed to solve this problem. I am afraid I cannot admit to being as strong an optimist as the honourable Leader of the Government.

Hon. Mr. Aseltine: I hope it will be sufficient.

The next vote is No. 670, for National Defence. In the main estimate the sum of $5 million was provided. In these supplementary estimates there is a further $5 million, making a total of $10 million. This vote is required for service rental housing projects already authorized, plus further projects which have been approved in principle by the Treasury Board. Already approved projects total $9,784,318. The amount for projects approved in principle was $16,470,000, making a total of $26,254,318. Already there had been provided in previous years $22 million of that amount, which leaves a balance now required of $4,254,318—in round figures, $5 million.

Hon. John J. Connolly: Are all these expenditures to be made in Canada or are they for forces elsewhere?

Hon. Mr. Aseltine: They are all in Canada —St. James, Manitoba; Summerside, Prince Edward Island; Uplands, Ontario; North Bay; Red Deer, Alberta; Dartmouth, Nova Scotia; London, Ontario; Winnipeg; Halifax; Perth; Carp, etc.

The votes which I have dealt with so far total $132,590,000, out of total supplementary requirements of $153 million-odd.

Should honourable senators require information with respect to other items I will be only too pleased to furnish it if it is at all possible for me to do so.

Hon. W. Ross Macdonald: Honourable senators, the honourable Leader of the Government (Hon. Mr. Aseltine) has given a fair explanation of all the items, having regard to the very limited time at his disposal. He started to speak at five o'clock, and it is now twenty minutes before six. My time is even more limited, because I understand that the Deputy to His Excellency the Governor General will arrive in about five minutes.

The Hon. the Speaker: He has arrived.

Hon. Mr. Macdonald (Brantford): Then I hope it will not be considered an affront if I take up five minutes of his time.

The honourable Leader of the Government has gone over the estimates which are before us, and has had to handle them in a hit-and-miss manner. He has not had time to do otherwise. I shall have to handle them in less of a "hit" and more of a "miss" manner.

I must bring to the attention of this house the fact that these are the third supplementary estimates we have had before us this year. Honourable senators will recall that it is customary for me to review the financial position of the Government when we are considering supplementary estimates. I will have to forego that custom at this time, but I do hope that more time will be made available when the next supplementary estimates come before us.

Hon. Mr. Aseltine: I can table all of the figures if the honourable senator wishes to have them on the record.

Hon. Mr. Macdonald (Brantford): I will have them, no doubt, when the next supplementary estimates come before us. I hope the limited time at our disposal then will not tie my tongue, for I would like to give my views as to the way finances have been administered by the Government during the past year.

However, honourable senators, I do think it is unnecessary to have so many supplementary estimates. Considerable time could

have been saved if there were fewer supplementary estimates, and if the many were combined in one. It might be said that the larger amounts would still be discussed, but I point out that every time supplementary estimates are tabled Parliament feels it must start over again and discuss in detail the individual departments. Supplementary estimates provoke discussion, and discussion is bound to take up considerable time.

We have before us now the third further supplementary estimates, and my honourable friend the Leader of the Government tabled in the house the other day the fourth further supplementary estimates. I have looked over these, honourable senators, and I cannot see why these two sets of estimates could not have been tabled as one.

With respect to Agriculture, for instance, the honourable Leader of the Government referred to Vote 615. There are similar items under Agriculture in the estimates he has tabled, and these could all have been considered at the same time.

I am not unreasonable. I do not say that it is possible at the beginning of the session to table main estimates which include everything, but I do think that the Government should have foreseen some of the expenditures in these supplementary estimates.

My honourable friend referred a minute ago to Vote 644, under National Defence. He said that that item of defence included pay for 10,000 men who had been taken on strength. Well, I know that those men were taken on strength almost a year ago. Why, then, could not that estimate have been included in one of the previous supplementary estimates? The Government knew it had to make the payment, but it waited until the last minute of this fiscal year to ask for the money.

I would remind honourable senators that previous to these supplementary estimates, the main supplementary estimates were tabled in the house in June 1961, and further supplementary estimates were tabled in July of that year, and now in the present session three supplementary estimates have been tabled in this house in two months. How is the Government running this country? Is it considering the payments that have to be made from week to week, or every two weeks, or even every three weeks? I put this question because there have been three supplementary estimates tabled in eight weeks. It seems to me that a merchant running a country store carries on his operations in a more business-like manner than this Government is carrying on the $6 billion corporation known as the Government of Canada.

Are we to understand that the Government could not tell two months ago how much money would be required to carry on the ordinary business of the country? Can anyone take satisfaction from that? I certainly can't. I say that there is nothing in the supplementary estimates No. 3 that could not have been included in No. 4, and vice versa. In fact, there is one item of $250,000 in supplemenetary estimates No. 4 which is to be paid to the war veterans under the War Veterans Allowance Act, which should be included, if any item should, in the present supplementary estimates. That money must be paid to the veterans by the end of this month—at least, in all fairness to them it should be paid—but the amount is not provided for in the supplementary estimates now under consideration. Does that mean that at the last hour of this month we are going to be presented with an item for this amount? I am not going to object to the payment of this money. I am not going to hold up the supplementary estimates at that time so as to prevent the veterans from getting this money, but I say that this item above all others in supplementary estimates No. 4 should have been included in the present supplementary estimates.

The honourable Leader of the Government referred to an item of $25 million for the Unemployment Insurance Fund. I am of the opinion that had the fund been properly administered—and I am putting the blame on the Government and not on the commission—this payment of $25 million would never have been necessary.

Hon. Mr. Thorvaldson: What are your suggestions?

Hon. Mr. Macdonald (Brantford): I will give my friend the answer in just a moment. Before doing so perhaps I had better bring to the attention of the house just where we stand with respect to unemployment in Canada today. Perhaps someone will say to me, "Oh, it is not as bad as last year." Thank goodness it is not, but it is still very bad. There are 583,000 people out of work in Canada today, and I must point out to honourable senators that that is the highest percentage of unemployment in the world.

Hon. Mr. Thorvaldson: And your party seems to take a great deal of satisfaction in it.

Hon. Mr. Macdonald (Brantford): I do not take any satisfaction in it, and I hope my friend from Winnipeg South does not either—I am sure he does not.

Hon. Mr. Thorvaldson: Of course not.

Hon. Mr. Macdonald (Brantford): And of course I do not. However, that is the sad fact of the condition of unemployment in Canada today. Normally, there are 6,438,000 persons

employed. Using round figures, of six million people who are normally working, half a million are out of work.

Hon. Mr. Thorvaldson: The United States percentage is much higher.

Hon. Mr. Macdonald (Brantford): The United States percentage is much lower than that, and my friend cannot take cold comfort in his thought, because it is not correct.

Honourable senators, it is not a very happy condition to have as large a number of unemployed persons in a country blessed with so many of the good things of life. I would point out to my friends that all these unemployed persons are not on unemployment insurance. How those who are not on it are able to get along, I do not know. Even with this smaller number of unemployed who enjoy the benefits of unemployment insurance, it is not a happy condition to exist, to say the least. I would say the country is in a very sick condition, and I repeat that the illness is due in large measure to the way this fund has been administered by this Government.

Let me remind honourable senators that when this Government came into office in 1957 there was $900 million in the Unemployment Insurance Fund. On March 31, 1958 it was down to $754 million. On March 31, 1959, it was down to $512 million.

Hon. Mr. Thorvaldson: Because of the mess that your party made of things.

Hon. Mr. Macdonald (Brantford): On March 31, 1960 it was down to $383 million. My friend said something about a mess. Well, after the present Government had been in power for four years, the Unemployment Insurance Fund had gone down from $900 million to $140 million at the end of March 1961, and unfortunately the fund continues to go down. The last figures obtainable show that at the end of February, 1962 there was $104,618,000 in the fund. Well, all I can say is that the Government has not done very well for this ailing patient.

You ask, why do I blame the Government? Altogether apart from its general policies, a considerable amount of the money from that fund has been improperly used by the Government. If the directors of an insurance company had used the funds of their policyholders in the manner in which the Government has used the money of the policyholders in this fund—and every worker who contributes is a policyholder—to say the least, they would have found themselves in grave difficulties.

The concept of insurance has been entirely forgotten and the fund has been raided to provide benefits for those who did not come under the provisions of the act.

I say that would have been a breach of trust had it been done by directors of an insurance company. Why do I say that? Well, honourable senators, in 1958 the fund was called upon to provide seasonal benefits to those who did not come within the provisions of the fund. Now, honourable senators, do not say, "Why shouldn't they have been helped?" I say they should have been helped, but they should not be helped by money to which they were not entitled; they should not have been helped by using the funds to which the policyholders had contributed.

In 1958 this Government took $63 million from that fund, and in 1959 it took $116 million, making a total of $179 million, to pay Canadian workers who had not contributed to the fund.

Now, honourable senators, let me make myself clear. I think those people who got the money should have been helped, but they should have been helped from the Consolidated Revenue Fund. That is where the money should have been taken from. If the unemployment fund had been properly administered, this amount of $25 million would not be needed today. There would have been in the fund today, in addition to what is there now, $179 million.

Three years ago a conversion loan was floated and the commissioners, I am informed, were directed to convert the short-term bonds which they held into long-term bonds, which they did. Then the commission had to have more money, and it had to sell the long-term bonds. These short-term bonds, if held, could have been sold at par, but, as happened, they had to be sold and the loss amounted to $27,758,000. Therefore, had those bonds been held, and had the fund been properly administered, it would today have $200 million more than it has.

Is there any reason why I should not be incensed over this? Is there any reason why the working people, who are the policyholders, should not be wondering why this fund is in an almost bankrupt condition?

Hon. Mr. Hollett: Is not the Government a policyholder?

Hon. Mr. Macdonald (Brantford): No, the Government is not. The Government pays for the administration of the fund, and they do contribute a portion of it, but the major portion is contributed by the worker and the employer. Is there any reason why they should not be asking the Government, which administers the fund, why it is in this bankrupt condition?

Honourable senators, I notice that a commission has been appointed to go into this whole question. I hope that its report will come down soon, and that the next time

we are considering appropriations the Unemployment Insurance Fund will be in a much healthier state than it is today.

Motion agreed to and bill read second time.

THIRD READING

Hon. Mr. Aseltine with leave, moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

The Senate adjourned during pleasure.

At 6 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Export Credits Insurance Act.

An Act to amend the St. Lawrence Seaway Authority Act.

An Act to incorporate Cochin Pipe Lines Ltd.

An Act respecting Muttart Development Corporation Ltd.

An Act respecting The Mutual Life Assurance Company of Canada.

An Act respecting Sun Life Assurance Company of Canada.

An Act to incorporate Westmount Life Insurance Company.

An Act to amend the Small Businesses Loans Act.

An Act to amend the Farm Improvement Loans Act.

An Act to amend the Fisheries Improvement Loans Act.

An Act to authorize the Construction and Operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and Ste. Anne des Monts.

An Act to amend the Representation Act.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to motions:

Hon. Arthur M. Pearson: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Tuesday next, March 27, 1962, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, March 27, at 8 p.m.

THE SENATE

Tuesday, March 27, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Press release, dated March 16, 1962, announcing the program for the visit to Canada, in June, of Her Majesty Queen Elizabeth, the Queen Mother. (English and French texts).

Report on Operations of the Royal Canadian Mint for the year ended December 31, 1961, pursuant to section 21 of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C. 1952. (English text).

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-158, for the relief of Guy Bertrand.

Bill SD-159, for the relief of Sylvia Bertha Spires.

Bill SD-160, for the relief of Geraldine Ludgarde Romer.

Bill SD-161, for the relief of Sylvia Socaransky.

Bill SD-162, for the relief of Elizabeth Peck.

Bill SD-163, for the relief of Dorothy Gladys Faucher.

Bill SD-164, for the relief of Jean Alice Rinder.

Bill SD-165, for the relief of Maria Lenkei, otherwise known as Maria Leichtag.

Bill SD-166, for the relief of Ines Barbara Levy.

Bill SD-167, for the relief of Donat Theriault.

Bill SD-168, for the relief of Elizabeth Helen Brown.

Bill SD-169, for the relief of Stasys Vysniauskas.

Bill SD-170, for the relief of Joan Jeanette Krautle.

Bill SD-171, for the relief of Thelma Freeman.

Bill SD-172, for the relief of Rose Coletta.

Bill SD-173, for the relief of Dora Elfriede Elizabeth Christian Kovacs, otherwise known as Dora Elfriede Elizabeth Christian Kovac.

Bill SD-174, for the relief of Wilma Gloria Bryson.

Bill SD-175, for the relief of Donald Edgar Hicks.

Bill SD-176, for the relief of Ruth Moss.

Bill SD-177, for the relief of Marie-Louise Guay.

Bill SD-178, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-179, for the relief of Marie Raymonde Violetta Dalpe.

Bill SD-180, for the relief of Elizabeth Gray.

Bill SD-181, for the relief of Helene Denise Vien.

Bill SD-182, for the relief of Anna Elizabeth Strickland.

Bill SD-183, for the relief of Evelyn Frances Rae.

Bill SD-184, for the relief of Vivian Marjery Cohen.

Bill SD-185, for the relief of Catherine Gerasimos Andrulakis.

Bill SD-186, for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

Bill SD-187, for the relief of Kathleen Ryan.

Bill SD-188, for the relief of Verena Elsener.

Bill SD-189, for the relief of Doris Sibyl Jane Hassall.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADA GRAIN ACT

BILL TO AMEND—SECOND READING

Hon. Walter M. Aseltine: Honourable senators, I would like to have permission to proceed first with Order No. 2, for the second reading of a bill I am sponsoring, to amend the Canada Grain Act. I am asking that this bill be considered first for the reason that, should it be referred to a committee, a representative of the Board of Grain Commissioners will be coming here from Winnipeg to attend the meeting.

Some Hon. Senators: Agreed.

Hon. Mr. Aseltine: Honourable senators, with leave, I now move second reading of Bill S-19, to amend the Canada Grain Act.

Honourable senators, this bill has to do with mustard seed and rapeseed. The subject may be more or less dry to senators who are not actively engaged in farming, but I shall do my best to make it as interesting as possible.

The bill has three purposes. The first is to ratify the transfer of responsibility for the Board of Grain Commissioners from the Minister of Trade and Commerce to the Minister of Agriculture.

In November 1960 an Order in Council was passed under the authority of section 2(a) of the Public Service Rearrangement and Transfer of Duties Act, which is chapter 227 of the Revised Statutes, 1952. For the information of honourable senators I should like to read that section. It is not very long.

> 2. The Governor in Council may (a) transfer any powers, duties or functions or the control or supervision of any part of the public service from one Minister of the Crown to any other Minister of the Crown, or from one department or portion of the public service to any other department or portion of the public service;

The purpose of the first section of this bill then is to give statutory effect to this change which, in my opinion, has worked out very satisfactorily. The second purpose is to establish statutory grades of domestic mustard seed. The third purpose is to redefine the statutory grades of rapeseed, as presently set out in the first and second schedules to the act. I should like to give honourable senators some general information before I proceed to explain the second and third purposes of the bill.

As honourable senators know, I am engaged in farming operations in the province of Saskatchewan, but I do not grow mustard seed or rapeseed. Of course, we farmers who grow wheat, flax and other cereal grains grow a lot of wild mustard, mostly tumbling mustard and Ontario yellow mustard, but it is not grown for seed. It comes up automatically, and unfortunately we are put to great expense every spring to kill it by spraying it with 2,4-D, which is quite effective.

The production of mustard seed, that is, tame or domestic mustard, has increased significantly in recent years. I have a table showing Canadian production for the past five years. It shows the number of acres seeded to mustard seed in the three Prairie provinces where most of it is grown, the average yield per acre and the production over the past five years. I would ask permission of the house to have this table taken into the record of today's proceedings.

Some Hon. Senators: Agreed.

MUSTARD SEED—ESTIMATED ACREAGE AND PRODUCTION

1957-58 TO 1961-62

	Seeded Acres	Average Yield Per Acre	Production
		lb.	'000 lbs.
Canada			
1957-58	92,150	772	71,112
1958-59	87,325	805	70,292
1959-60	80,140	613	49,144
1960-61	131,050	440	57,715
1961-62	142,000	319	45,300
Manitoba			
1957-58	150	750	112
1958-59	325	900	292
1959-60	240	600	144
1960-61	450	700	315
1961-62	12,000	383	4,600
Saskatchewan			
1957-58			
1958-59			
1959-60			
1960-61	15,600	474	7,400
1961-62	55,000	420	23,100
Alberta			
1957-58	92,000	772	71,000
1958-59	87,000	805	70,000
1959-60	79,900	613	49,000
1960-61	115,000	435	50,000
1961-62	75,000	235	17,600

Hon. Mr. Reid: May I ask if the mustard from that seed is sold in Canada or sold abroad?

Hon. Mr. Aseltine: I have all those figures for the honourable senator, and I shall give them a little later.

Honourable senators, in the past five years there has also been a tendency to expand the acreage and production of rapeseed. I have a table here showing the Canadian production for the past five years. It shows the seeded acreage, the average yield per acre and the production in the provinces of Manitoba, Saskatchewan and Alberta and for the whole Dominion of Canada. I would ask permission to have this table placed in the record also.

Some Hon. Senators: Agreed.

RAPESEED—ESTIMATED ACREAGE AND PRODUCTION

1957-58 TO 1961-62

	Seeded Acres	Average Yield Per Acre	Production
		lb.	'000 lbs.
Canada			
1957-58	617,500	701	433,058
1958-59	626,000	620	388,100
1959-60	213,500	834	178,000
1960-61	763,000	729	556,000
1961-62	745,000	750	558,000
Manitoba			
1957-58	27,500	625	17,188
1958-59	21,000	600	12,600
1959-60	12,000	750	9,000
1960-61	33,000	722	24,000
1961-62	30,700	554	17,000
Saskatchewan			
1957-58	520,000	700	364,000
1958-59	535,000	617	330,000
1959-60	165,000	848	140,000
1960-61	550,000	727	400,000
1961-62	448,000	650	291,000
Alberta			
1957-58	70,000	741	51,870
1958-59	70,000	650	45,500
1959-60	36,500	800	29,000
1960-61	180,000	735	132,000
1961-62	266,000	940	250,000

Hon. Mr. Aseltine: Honourable senators, I also have a table indicating the quantities of mustard seed and rapeseed exported during the past four crop years, and the thirteen countries which have been importing these items from Canada. Over this four-year period the big exports of mustard seed have been to Italy, Germany, Japan and the United States of America. The table relating to mustard seed is very interesting and I think honourable senators will find it also informative and instructive. I would ask permission to have it placed on the record.

Some Hon. Senators: Agreed.

MUSTARD SEED—EXPORTS, BY IMPORTING COUNTRY, 1957-58 TO 1960-61

	1957-58	1958-59	1959-60	1960-61
		,000 lbs.		
Britain	—	4,152	224	1,000
Belgium	5,151	3,918	3,344	3,415
France	960	330	355	132
Germany (Fed. Rep.)	10,292	4,911	1,070	3,903
Italy	—	12,249	—	—
Netherlands	2,873	7,377	12,768	9,215
Sweden	—	—	—	9
Switzerland	—	276	208	—
Morocco	26	62	—	—
Japan	13,504	11,174	7,732	8,449
Venezuela	—	—	—	36
Mexico	—	—	20	78
United States	13,538	17,157	22,708	15,818
Totals	46,344	61,544	48,429	42,055

Hon. Mr. Aseltine: Honourable senators, as you will see by the next table, we exported rapeseed to eleven different countries during the past four crop years, the big importers being the German Federal Republic, Italy, the Netherlands and Japan. I ask permission to have this table also incorporated in the record.

Some Hon. Senators: Agreed.

RAPESEED—EXPORTS, BY IMPORTING COUNTRY, 1957-58 TO 1960-61

	1957-58	1958-59	1959-60	1960-61
			,000 lbs.	
Britain	3,161	1,120	1,536	8,457
Belgium	1,021	571	336	15,545
France	—	—	—	48,749
Germany (Fed. Rep.)	55,521	22,934	—	30,366
Ireland	832	1,234	—	—
Italy	111,893	111,031	6,408	147,442
Netherlands	104,624	96,319	509	42,227
Portugal	—	1,492	—	—
Switzerland	3,551	—	—	—
Algeria	—	—	23,583	67,097
Japan	36,974	48,789	114,467	43,870
Totals	317,577	283,490	146,839	403,753

Hon. Mr. Aseltine: Honourable senators, those last two tables show the importance of these two seeds in the commerce of Canada.

I have some other information with regard to rapeseed and mustard seed. During the last four years the following quantities of rapeseed have been crushed for oil extraction in Canada:

Year	Quantity in ,000 lbs.
1957-58	23,228
1958-59	38,068
1959-60	11,282
1960-61	47,990.

No mustard seed oil was produced in Canada during those years.

I understand that mustard seed exported to the Orient is used largely for crushing, the resultant oil being refined into a spiced oil or a flavourful oil which is used for salad dressings and that sort of thing. In the main, however, mustard seed is used for grinding into a powder for table use or the preparation of mustard paste. When for table use it is very important that there be no wild mustard seed present, and that is why Schedules A and B of the bill contain the new regulations with respect to grades.

Rapeseed is used exclusively for oil extraction, and the bulk of the oil is now used for edible purposes. Some consumers dislike the taste of this product, and consequently it has to be controlled by the manufacturers by judicious blending. Flavour, however, is not a problem with respect to our best customer, Italy, because there a flavourful, rather than a bland, oil is preferred.

Rapeseed oil is also used to blend with other oils for lubrication purposes, especially the lubrication of marine engines. Recent experiments in Canada indicate that the inclusion of 10 per cent rapeseed oil in motor oil markedly reduces engine wear.

At the present time mustard seed is known by commercial grades established by the Grain Standards Committee, composed of producers of grain selected and called together by the Board of Grain Commissioners each year as soon as samples are available in the fall. It is proposed by Schedule A of this bill to establish statutory grades in the same fashion as grades are set up for wheat, oats, barley, rye and flaxseed. Four main grades are contained in Schedule A, namely, Extra No. 1 Canada Western Yellow, No. 1 Canada Western, No. 2 Canada Western, and No. 3 Canada Western. The minimum weight per bushel of Extra No. 1 Canada Western Yellow is 58 pounds, and it must be 99.95 per cent yellow, well matured, sweet, of good natural colour, and may contain not over one per cent damaged seeds, and so on. It may not contain more than 0.01 per cent of other seeds that are conspicuous and that are not readily separable from yellow mustard seed.

No. 1 Canada Western must weigh at least 56 pounds per bushel, No. 2 Canada Western not less than 54 pounds per bushel, and No. 3 Canada Western not less than 52 pounds per bushel. The details of these various grades and what they represent are all contained in Schedule A.

Honourable senators, rapeseed at the present time is graded and known as Canada Rapeseed and Sample Canada Rapeseed, but these gradings have not worked out satisfactorily since they are not sufficiently descriptive. The word "sample" was often misinterpreted by the buyers of rapeseed in other parts of the world.

Schedule B of the bill establishes three new statutory grades which will take the place of the present statutory grades. They are: No. 1 Canada Rapeseed, which must

weigh a minimum of 52 pounds per bushel; No. 2 Canada Rapeseed, weighing a minimum of 50 pounds per bushel; and, No. 3 Canada Rapeseed, weighing a minimum of 48 pounds per bushel.

Honourable senators, in my opinion this is not a complicated bill, but if it is your wish after it has received second reading to have it referred to committee, I shall be glad to do so. I am informed that a representative of the Board of Grain Commissioners will be available to answer questions.

I hope that I have explained the bill fully, but I shall be glad to try to answer any questions honourable senators may have.

Hon. J. Wesley Stambaugh: Could the honourable Leader of the Government (Hon. Mr. Aseltine) inform the house as to the approximate percentage of mustard seed and rapeseed exported from Canada?

Hon. Mr. Aseltine: Mustard seed is not ground into oil in this country, and except for a small amount which is used for domestic purposes the seeds are exported.

Hon. Mr. Stambaugh: I was about to say that practically all of our mustard seed and rapeseed is exported.

Hon. Mr. Aseltine: I believe that is correct.

Hon. Mr. Stambaugh: Yes; that is a fact. Like the honourable Leader of the Government, I do not grow any mustard or rapeseed, but I have planted rape at various times for hog pasture and it is very good. Both rapeseed and mustard seed are important to a considerable number of farmers in Alberta. Up until recently there has been a surplus of wheat and it has been wisdom on the part of farmers to shift to the production of rapeseed or mustard seed because of its export value and the fact that it helps to keep Canada's economy in good shape.

Until the present we have always sold these commodities by sample, which is not a good way to sell grain. We found it was not a suitable way of dealing with wheat, oats and barley. All these grains are graded very closely, and it is certainly a good idea to grade mustard seed in the same way.

By the way, my deskmate has just asked me how it could ever be possible to identify all the various grades of the different seeds. Certainly, it is quite a proposition, because the seeds are small. However, we have the benefit of the inspection department. The seed will simply have to be weighed, probably by the ounce in this case, and the various kinds of seed counted; whereas, in the case of wheat, oats and barley it is weighed by the pound. I am confident that it will be done properly, for it will be passed by competent inspectors, and if a buyer in Japan or some other country wants to buy a certain grade of rapeseed or mustard seed, he will know what he is getting. Of course, a sample could be sent over, but that is not as satisfactory as having inspectors take their own samples from a car for inspection, by which means a representative sample of the whole carload can be taken. This is much more satisfactory and dependable than obtaining a sample from the exporter.

Honourable senators, I am very much in favour of the transfer of the Board of Grain Commissioners from the Department of Trade and Commerce to the Department of Agriculture. A number of years ago I suggested this to the Honourable James MacKinnon, a great personal friend of mine, when he was Minister of Trade and Commerce. I was a little careful of what I said about it afterwards because he was a bit hurt over it, but I still think it is natural that the board should come under the Department of Agriculture.

I commend the Government on bringing in this proposed amendment to the Canada Grain Act, and compliment the Leader of the Government in the Senate (Hon. Mr. Aseltine) for introducing it. I am sure the farmers of western Canada, at least the vast majority of them, will be in favour of the bill.

Hon. Mr. Reid: Could the honourable leader (Hon. Mr. Aseltine) give us some idea of the price at which these seeds are sold? I do not think he mentioned in his explanation this evening the total value of these seeds, and I feel it would be most valuable to have that.

Hon. Mr. Aseltine: As I have already stated, I have not grown any of the seed and I do not know exactly what it sells for per pound.

Hon. Mr. Beaubien (Provencher): It varies from year to year.

Hon. Mr. Aseltine: I believe it is somewhere in the neighbourhood of four cents a pound.

Hon. Mr. Stambaugh: That is for mustard seed.

Hon. Mr. Leonard: May I ask the honourable leader whether these seeds are marketed through the Grain Board?

Hon. Mr. Aseltine: No; the Board of Grain Commissioners supervise only the grading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Aseltine: Honourable senators, perhaps it would be appropriate to refer this bill to the Banking and Commerce Committee, which is to meet tomorrow morning. As the measure, to a great extent, has to do with

commerce I think it would be in order to ask that it be referred to that committee for further consideration.

Hon. W. Ross Macdonald: Honourable senators, I was about to suggest that the bill be referred to a committee because it is being introduced into Parliament in this house and, of course, has not yet been considered in the other house.

I wish to take this opportunity of congratulating the Leader of the Government (Hon. Mr. Aseltine) on having a bill introduced in the Senate. I feel that this house could be of much greater service to Parliament and the country if more bills were introduced in the first instance in this chamber. Now that we have started, I hope more will come along in the same way.

When this bill goes to committee I hope the proceedings will be recorded so that the members of the other house will have the full benefit of all that takes place at the meeting.

Hon. Mr. Aseltine: That is agreeable.

On motion of Hon. Mr. Aseltine, bill referred to the Standing Committee on Banking and Commerce.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from Friday, March 23, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. John G. Higgins: Honourable senators, my speech shall be short, and consequently I shall give no reason to be accused of trying to hold up the bill.

The first bill dealing with the disclosure of information in connection with loans did not seem to be a fair one, for reasons which seemed quite obvious to me. While the proponents of that bill claimed it was meant to strike at individuals, firms or companies which lend money at exorbitant rates of interest, yet it took within its ambit institutions like banks and trust companies, which have been of great help to the public for generations and which never could be accused of lending money at heavy interest. That bill, if enacted, would have thrust on them an oppressive and unnecessary burden.

If it was the intention of the sponsor of that bill (Hon. Mr. Croll) that it should affect only firms lending on the credit-consumer plan, why did he bring in a bill which also affected institutions that were of absolute public benefit? Further, the act would have brought them within the shadow of the Criminal Code of Canada, had they made a mistake. My conscience in voting against that bill was as clear as the conscience of those who supported it.

The bill before us is, in my opinion, of quite a different kind. It certainly has merit and I feel that it should go to the appropriate committee for discussion. It should not be a deterrent to its passing on second reading just because the interest rate may be difficult to calculate, as is claimed. Though interest may be difficult to calculate, it is easy to compute how much a borrower must pay for a loan. If that cannot be computed, then the whole institution of lending on a consumer credit plan should be abolished for uncertainty. If such a position is adhered to, then all I can say is that the people who make up the contract do not know what they are drafting. There are mathematical geniuses who can solve any problem, and there must be a large number of ordinary people who can make two and two appear to be really four.

When I say that in my opinion this bill should go to the appropriate committee, I am doing so without being influenced in the slightest by lobbyists. The Senate is not to be stampeded by lobbyists. We may listen to them or we may read their briefs, but they should not dictate. I hope we are all independent enough to follow our own thinking.

There is one doubt, however, in the matter and that is whether the bill is constitutional. That question cannot be passed over lightly. Is this a matter for the federal Parliament or for the provincial legislatures?

It is easy to give an opinion without setting out adequate reasons. If it is not a matter for the provincial legislatures, why did Ontario pass such an act many years ago? And, if such a proceeding was thought by some to be unconstitutional, why was not the matter tested in the Supreme Court of Canada? I understand that Alberta passed a bill like the bill before us. Has not each province passed its own Conditional Sales Act and does it not deal with interest?

In view of the varied opinions expressed by many eminent lawyers, it may be thought that the matter must eventually go to the Supreme Court of Canada. I trust, however, that if this bill is referred to committee, the committee will be able to clear away and settle our doubts.

I had no intention of speaking on this bill, but certain remarks have been made in this debate which in my estimation should not go unchallenged.

One honourable senator said:

> We should, indeed, demonstrate for all to see that the Senate is not a temple of

money-changers but a forum in which the overriding good of the people is the paramount concern.

What is meant by this? Is there a hint or a blunt statement that anyone who votes against this bill, no matter how honourable his intentions, is a money-changer; or, if the Senate does not pass the bill that the Senate is composed of money-changers?

Another honourable senator said:

> What is basically wrong with this proposition, honourable senators? That is something that has been perturbing me and bothering me, and the more opposition I see to this kind of proposition the more suspicious I become, because I fail to see why doubts have been raised concerning the true intent and purpose of this piece of legislation.

Is this an accusation of special pleading or of being influenced by men of money who want the bill defeated because they have an interest in its defeat? I felt that such statements should be answered.

I have seen in print statements that the first bill was defeated through the lobbying of vested interests—that the loan companies carried on an extensive campaign. In one of the letters I recently received from a supporter of the bill there are these words:

> There is no doubt in our mind that lobbyists against the bill will be very active.

Where did all this information about lobbying against the first bill come from? Why should the party I have just quoted claim that there will be or may be lobbying on behalf of those who wish to defeat the present bill?

I have seen or heard of no lobbying on behalf of those who would be adversely affected by this bill. On the contrary I agree with the honourable senator from Kamloops (Hon. Mr. Smith), that the only lobbying that was done was by those supporting the bill and by no others. In any case why should not those who have an interest in defeating the bill, because they feel an injustice is being done to them, not have an equal right to oppose its passing? I presume that among the credit-consumer loan companies there are many who are honest, and that this bill is really meant to strike only at what is known as the loan sharks.

I regret that such statements have been made because as far as I can find out there is absolutely not a particle of truth in this claim of lobbying on the part of loan companies, either with reference to the previous bill or the one now before us. To say that the first bill was defeated by lobbying has nothing to support the contention. That such a statement should be given publicity is lamentable and should be the cause of indignation. After all, the integrity of the Senate is paramount.

Although I feel that this bill has merit, at the same time I feel justified in making the statements which I have made.

On motion of Hon. Mr. Bouffard, debate adjourned.

UNITED NATIONS

SIXTEENTH SESSION OF GENERAL ASSEMBLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 22, the adjourned debate on the inquiry of the Honourable Senator Brooks, P.C., calling the attention of the Senate to the Sixteenth Session of the General Assembly of the United Nations, held in New York City, and in particular to the discussions and proceedings of the Assembly and the participation therein of the delegation of Canada.

Hon. Jean-François Pouliot: Honourable senators, it is my great pleasure to tell you about my experiences at the United Nations in New York.

The last time that I attended a gathering in Europe was on the occasion of the Empire Parliamentary Conference which took place in London at the time of the coronation of the late King, twenty-five years ago. Since then many people have been to the United Nations and to other gatherings. In fact, I visited the United Nations building in New York city with great interest, at my own expense. At that time I was much less interested than I was the last time when I had a pass to attend all the sittings of the General Assembly, the Security Council, and the committees.

I went there with an unbiased spirit and an open mind. I wanted to be informed and to see how things were going there. I have returned with a very favourable impression. It was quite different from what I thought beforehand. Some people, especially if they have not been there, may be under the impression that the social side is the most important thing there. They are mistaken. Very nice receptions were given by Ambassador Ritchie, Consul General Scott, and by members of the staff of the permanent mission. Also I had the privilege of representing Ambassador Ritchie at a reception given by an African nation on the top floor of the Hotel Pierre in New York city. It was one of the nicest that I have ever attended.

At first I was a little embarrassed to have as the leaders of the delegation my friend the Honourable Howard Green, and my good friend the honourable senator from Royal

(Hon. Mr. Brooks) with whom I sat a long time ago on the civil service committee, and where we managed very well. Although sometimes there was much discussion, we succeeded then, in 1938 and 1939, in having a unanimous report. I wonder whose good influence it was in the civil service committee meetings that brought about our unanimous recommendations to the House of Commons.

The same thing occurred at the meetings of the United Nations. The meetings started at 9.30 in the morning, at the office of the Canadian Permanent Mission on Third Avenue, and everybody had to be there. The Secretary of State for External Affairs was there and, his *alter ego*, my honourable friend from Royal, as were the other persons that he mentioned in his report. Then everybody was given some work to do, some work of approach to the delegates of the other countries and, in particular, the newer delegates who came from the continent of Africa.

The President of the General Assembly was Mr. Mongi Slim. He was the ambassador from Tunisia, and was elected President of the General Assembly. At that time the office of Secretary-General became vacant because of the death of Mr. Hammarskjold. We were at a meeting at the offices of the Permanent Mission when word was given to us of the painful and tragic accident in which Mr. Hammarskjold lost his life. It created an impression of general sorrow among all the members. A ceremony was held which was most impressive. It took place in the hall of the General Assembly and was one of the most beautiful concerts I have ever attended. There we heard the great Beethoven's Ninth Symphony and artists from the Metropolitan performed. Also we heard the recorded speech that Mr. Hammarskjold had delivered the year before, on the anniversary of the United Nations. It was an occasion to remember; it was really beautiful.

I noticed something else that struck me very much. I had been under the impression that the Americans and the Russians were at odds. Naturally, if we judge by the press this is the conclusion we come to, but to my great surprise I read in the New York papers that Mr. Gromyko had received Mr. Rusk and that Mr. Rusk had received Mr. Gromyko, and that Mr. Stevenson, the ambassador of the United States to the United Nations, had also received some Russian representatives. There is nothing like personal contact. Even if the press reports that there is no agreement, the mere fact that the representatives of the east and west meet together is a good sign; it gives hope for the future. That created a very good impression, and the time for insults towards each other seemed to have passed. I remember there was a time when anybody who said unpleasant things to the other side had great success of oratory; but at the United Nations it was very different and everybody seemed to fraternize to a certain extent, although agreement had to be waited for, and was not always perfect.

I have said a word about the time of the meetings. The meeting at the Canadian Permanent Mission lasted approximately one and one-half hours, from 9.30 to 11 o'clock in the morning, and then the members of the delegation and some of the staff took the 10-minute walk to the United Nations building, to attend first the meetings of the General Assembly and, afterwards, the meetings of the various committees. Those who have not attended those meetings would be surprised at the seriousness of the discussions and the solemnity of certain occasions when new states were admitted to the United Nations, which now number 104. There everybody explained his problems. In the first place, at the meetings of the General Assembly we had something like a general outline of the feelings and the needs of each country by its representative.

What impressed me was that not only did Mr. Mongi Slim, the President of the General Assembly, speak perfect French but he was a very well educated man who had studied in French universities. He also had the distinction of having been imprisoned for his political convictions. Most of the representatives of Africa spoke beautiful French. We French-speaking representatives found that we were very much at home in New York when we heard these speeches. They were well thought out, well reasoned, and well delivered by the representatives of the various countries. We had visits from the President of the Argentine, from the President of Chile and other dignitaries, accompanied by their staffs. For all of these the red carpet was laid.

Honourable senators, what struck me very forcibly was the consideration which the representatives of all nations had for Canada. This is not new. It dates back to the time of Sir Wilfrid Laurier, Borden and Mackenzie King. Now Canadians are respected as Canadians in New York, as they are anywhere else—but mostly in New York, as there is a world in miniature at the United Nations, where 104 countries are represented by outstanding men and women.

We were given various tasks to perform while we were there. These were given to us by the Secretary of State for External Affairs, and by our colleague, the honourable senator from Royal (Hon. Mr. Brooks) when the minister was not there. We divided the work among ourselves. Each one had his task. I was assigned to meet the representatives of

the African countries and I made good friendships with them. I found that they were patriots, men of culture who could speak very well and who represented their countries with honour at the United Nations. I cherish a very good recollection of them.

I asked the Secretary of State for External Affairs to give us some literature about Canada. He did this willingly and with pleasure. We had some beautifully illustrated books about Canada, and I had some books from the province of Quebec. We gave these to the ladies and gentlemen who came from various countries, so that they were able to have an illustrated view of our country. I soon realized that they had a very good opinion of our country. We invited them to come to visit us. Some of them came to Montreal and to Quebec City, where they were very well received.

I do not know what was done after I left. I was invited by my leader to attend the conference for a month and a half, but I could stay only three weeks and I was replaced by my good friend from Northumberland-Miramichi (Hon. Mr. Burchill).

Honourable senators, I realized that it was very important to make friends with those people from various countries who look to Canada for inspiration and guidance. The literature which was given to them was non-political, naturally; it informed them about the grandeur and the possibilities of Canada and how important it is for them to rely on us. That explains why the representative of Canada had the support of many countries in his endeavour to ban nuclear weapons.

I will not start to mention names, as I may forget some which should be mentioned. My experience was satisfactory. The only regret I had was in regard to some newspaper reports. Generally the reports from press agencies were very good but at times some journalists created a false impression by writing false reports for the press. For instance, I read in one of the yellow papers of New York city, an important daily paper, a letter supposedly from someone in the Vatican City—there was no name—saying that Mr. Khrushchev was just a hypocrite. This is not at all the language of Vatican City. I reported it to the religious authorities who said it was far from the language used in the vicinity of the Holy Father. That shows the kind of man who exists to create animosity, and who was giving the people of New York and the whole world a false impression.

To conclude, honourable senators, I remember what I said when I was a member of Parliament to the effect that for me Canada, although not the most populous country in the world, is the most beautiful and the greatest country in the world. Therefore, the interest of Canada should be the main inspiration of our undertakings at the United Nations and at all international conferences. I have returned with a good impression of the United Nations. Everything there is not perfect, but all the delegates, whether from the east or from the west, are on speaking terms. We hope there will be no third world war, and that by continuing to talk with each other the representatives of Canada and of all the other countries of the world will succeed at last in promoting world peace.

On motion of Hon. Mr. Burchill, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 28, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

C.B.C. TELEVISION BROADCAST

QUESTION OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, I rise to a question of privilege. It is in connection with a television broadcast given over the French network of the C.B.C. at 10.30 last Monday night. The program was entitled *Tribune Libre.*

The gentlemen on the program chose the Senate as their subject of discussion. The panel was composed of two journalists who were not too bad, a university professor from Quebec City, who was awful, and an English-speaking writer who is now bilingual, who did not know at all what he was speaking about. I am not going to discuss everything that was said on the program; I will refer to only one point.

It was stated over the French TV network that we in the Senate did not have as much information as they have in the other place. That is utterly false. We have access to the same library, which is one of the finest in this country if not in the world. Cabinet ministers very often appear before Senate committees to explain bills or estimates, just the same as they do in the House of Commons.

To me what is unfortunate is that so many university professors—I have mentioned one, and there are many who are similar—and writers know nothing of what they speak. If they want to speak knowledgeably about the Senate the first thing they have to do is read the B.N.A. Act in full, in order to know what we are and what we can do. In the second place, they have to read the Public Accounts, which will prove to them that the item for legislation, both for the House of Commons and the Senate, is very small compared to the total amount of the expenditures. In the third place they have to read the *Parliamentary Guide* to know who we are. Lastly, they have to read the Index of Senate *Hansard*, and the reports of both the Senate debates and committee meetings. Then they will be in a position to speak as well-informed men, provided there is somebody to represent the Senate on such television broadcasts.

I was greatly surprised that the program manager of the C.B.C. did not think of inviting two senators to take part to explain what we are accomplishing in this chamber and in our committee rooms. Some senators could very well have been there. If the management were afraid to call senators, they should have called the Senate messengers who bring books to us from the library, who are in attendance during committee sittings and who take our mail down to the post office. They could also have called our young pages, who attend sittings in this chamber. If that had been done, those who listened to the French broadcast about the Senate would have been much better informed by our messengers and our pages than they were by the university professor who knew nothing and the writer who apparently was not better informed.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-75, to amend the Canadian Wheat Board Act.

Bill read first time.

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

RELIANCE INSURANCE COMPANY OF CANADA
THE CANADIAN INDEMNITY COMPANY AND
THE CANADIAN FIRE INSURANCE COMPANY
GREYMAC MORTGAGE CORPORATION—
AUTHORITY TO PRINT COMMITTEE
PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-12, respecting Reliance Insurance Company of Canada, Bill S-15, respecting The Canadian Indemnity Company and the Canadian Fire Insurance Company, and Bill S-18, to incorporate Greymac Mortgage Corporation:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bills.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move, with leave, that the report be adopted now.

Report adopted.

RELIANCE INSURANCE COMPANY OF CANADA —REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-12, respecting Reliance Insurance Company of Canada, and had directed that the bill be reported with the following amendment:

> Page 1, lines 10 and 11: Strike out "La Reliance, Compagnie canadienne d'assurance" and substitute therefor "La Reliance Compagnie Canadienne d'Assurances".

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the explanation of this amendment is a very simple one. It was made at the request of the petitioners. It is a grammatical amendment to the extent that a comma is removed. In the interests of purity of language the amendment substitutes "d'Assurances" for "d'assurance".

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Hayden: Honourable senators, with leave of the Senate, I move third reading of this bill now.

Motion agreed to and bill read third time and passed.

THE CANADIAN INDEMNITY COMPANY AND THE CANADIAN FIRE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-15, respecting The Canadian Indemnity Company and the Canadian Fire Insurance Company, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Thorvaldson: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Hon. Mr. Macdonald (Brantford): Honourable senators, I am not objecting to the third reading of these private bills now, even though one contains an amendment. They have to go to the other place for consideration, and in view of the rumours, well-founded and otherwise, it is probably advisable we should get them there as soon as possible.

Motion agreed to and bill read third time and passed.

GREYMAC MORTGAGE CORPORATION—REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-18, to incorporate Greymac Mortgage Corporation, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Macdonald (Brantford): Honourable senators, with leave, I would move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

CANADA GRAIN ACT

BILL TO AMEND—AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill S-19, to amend the Canada Grain Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Hayden: I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-19, to amend the Canada Grain Act, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: Honourable senators, this is another bill which will have to go to

the other place for consideration, and in view of the remarks of the Leader of the Opposition (Hon. Mr. Macdonald)—

Hon. Mr. Brunt: Hear, hear.

Hon. Mr. Aseltine: —with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

THE UNITED CHURCH OF CANADA—REPORT OF COMMITTEE ADOPTED

Hon. Paul Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-16, respecting The United Church of Canada, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. George S. White: Honourable senators, with leave of the Senate, I move that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, my inquiry on the Order Paper is very clear, and the answer will be very short and I am anxious to receive it. For those who are not familiar with the law, the question has reference to the relation which exists between constitutional and civil law. To my profound amazement I have come to the conclusion that all the amendments passed by all the provincial Legislatures of Canada since Confederation about marriage, except for its solemnization, are *ultra vires* and void.

You may realize, honourable senators, what implications could come from it. I want to know if any representations have been made to the Government about it. I am anxious to be informed whether or not representations have been made and, if so, by whom, and when. That is one question.

There are other implications that I will not mention now because it would take too much time, but I will tell you in due course why I ask these questions and why I am so much interested in having an answer as soon as possible from the Government.

Hon. Walter M. Aseltine: The day following the notice of inquiry by the honourable senator who has just spoken (Hon. Mr. Pouliot) I saw to it that a copy of the inquiry was sent to the proper authority, and I have no doubt that I will receive an answer in due course. Up to the present moment I have not received an answer, but the matter will be followed up from day to day until the answer is obtained.

Hon. Mr. Pouliot: I thank the honourable gentleman very much, and I appreciate the good care that he takes of every matter that is submitted to him by his colleagues in this house.

GRAIN

SALE OF WHEAT TO CHINA

On the Orders of the Day:

Hon. Mr. Aseltine: Honourable senators, before the Orders of the Day are called I have a brief announcement to make, namely, that an additional sale of slightly more than 39 million bushels of wheat has been made to China. The estimated value of this contract, which is the sixth to be completed under the long-term agreement of last spring, is $75 million. It is the largest single sale of wheat to China thus far.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

(Translation):

Hon. Paul H. Bouffard: Honourable senators, this bill has been introduced and discussed many times from all angles. Therefore, it seems to me that a very long discussion is not called for.

When this bill was considered, we discussed just about all the questions and the doubtful issues which were expressed, and I would not want to repeat what was said then.

I wish to congratulate the honourable senator for Toronto-Spadina (Hon. Mr. Croll) for his efforts to improve the bill and to restrict its application to certain persons, instead of applying it in a general way to people who give credit under conditions which are perfectly sound and above board. Nevertheless, I came to the conclusion that the present bill has not been improved in any way. I suggest that more than ever it remains unconstitutional and that the comparisons, if any, which the borrowers may make, are not as easy to draw as was asserted in the previous bill, for in my opinion at least, a great number of people are not compelled to give out the information which would be required for these comparisons of the costs of credit.

There is no doubt that the constitutionality of the bill, under our general system, depends upon two things in the bill. In the first place, does the bill bear on a criminal matter? In the past, those who infringed upon the clauses of the bill had to face a penalty which was called criminal. In my opinion, it was not so because the distinction between a criminal offence and a penal offence was not clearly drawn. It goes without saying that the provinces can impose penalties for breaches of provincial legislation. Those are not criminal but penal offences.

An offence committed by a vendor who was penalized for not respecting the terms of the honourable senator's bill of previous years was a penal offence. Had it been a criminal offence, the buyer, as well as the signer of the contract, would have been guilty, for anyone who is a party to a criminal offence is guilty either directly or as an accomplice.

And, since that did not exist, I can only conclude that, last year, that criminal action essential to ensure the constitutionality of the act did not exist. And besides, it is not necessary to discuss it since the infringement of the provisions of the bill is not considered of a criminal nature.

The Hon. the Speaker: If the honourable senator will allow me, I would point out that some senators, listening with their earphones, are turning them too loud in order to listen to the interpretation, thus making it difficult for those who understand the language to follow the speech properly.

(Text):

I would ask the honourable senators to be more careful in listening to their earphones, so as not to disturb those who understand the language that is being spoken.

Senator Bouffard, you may proceed.

(Translation):

Hon. Mr. Bouffard: The second point about which this bill cannot give any jurisdiction to the federal Government is the question of interest. Under section 91 of the British North America Act, the federal Government has jurisdiction over interest. Well, you may look wherever you wish to find a definition of interest in the act. There is none. In the civil code of the province of Quebec, there is some provision dealing with interest.

In the federal statutes, interest is dealt with but nowhere can you find a definition of it except in works by various writers. And what do they say about interest? What is interest? Well, it is the compensation that a person may give to another for the use of money which the lender can do without and which the borrower can enjoy for a given time. Therefore, there is no doubt whatever that it is a reward to the one who lends his money in order to invest his capital; it cannot be anything else, otherwise it is not interest.

Well, I suggest that, in this bill, first of all, there is no borrower nor lender. Consequently, there is no interest on the money loaned, because none is loaned. What we are trying to settle by this bill is that the sale of merchandise by instalments be considered as a loan.

Well, the fact that the sale is made according to an instalment plan does not mean that the character of the contract is changed. The contract remains a sale just the same, a sale as defined by the civil code and by the acts governing sales which have been passed by the various provinces of Canada.

And what is a sale? A sale is the transfer of an article by the owner to another person against money paid in cash, or by instalments. That is the definition of a sale. Now, the contract covered by this bill is not a loan contract, but a sales contract which remains so whether the goods bought are payable in cash or by instalments.

Therefore, people who buy goods do not want to borrow money. Those who want to obtain goods buy some article which is to be paid for by a certain date. Therefore, what does the buyer pay? He pays a compensation, not for using the money, but for using some goods bought and immediately obtained which can be enjoyed for a certain period of time without having to pay for them. Therefore, the vendor parts with his goods without receiving any payment, while the buyer enjoys those goods for a stated period of time, though the articles are not paid for. That is a sales contract.

If, on the other hand, that contract is treated as a loan contract, and the interest is the amount charged in order to allow an individual to enjoy the possession of goods for a period of time without paying for them, then there is no civil law contract under provincial jurisdiction. All contracts are subject to terms of financing where the parties so agree. If this is called interest, no contract is then subject to provincial jurisdiction and all contracts come under federal jurisdiction. I therefore claim that the deferred payment contract remains a sales contract and that the federal Government has no power to legislate on it. This is why all provinces have enacted conditional sales acts and regulated such sales. Similar acts have been passed in the western provinces, in the province of Ontario, in the province of Quebec, following representations made to the provincial governments. It is a private sale if you want to call it that because the merchant remains the owner of the article until full payment has been made, but it still remains a sale.

This is the first reason I say that the bill is definitely unconstitutional.

Secondly, the bill is unconstitutional because it tends to regulate not only interest, but also service charges, insurance premiums, etc. Let us assume that it is possible to regulate the vendor as to the interest it is proper to charge on the outstanding balance; it remains beyond question that it must be a reward, a compensation charged only on the balance of the sales price. It must therefore be money the buyer undertakes to pay the vendor to compensate for the money he retains and does not pay at the moment of the sale.

Now, I submit that the bill before us tends to regulate entirely different things such as insurance premiums, service charges etc. The federal cannot compel the vendor to determine especially not only the interest he will charge on the money he leaves in the hands of the buyer, but also the insurance charges that he will collect but will have to pay to an insurance company later on, the service charges he will have to pay in salaries to his employees and the service charges he will personally have to pay to employees and persons working for him in order to collect accounts, the outlays caused by the contract, the terms and conditions of which are not cash but time payments.

Therefore, I say that according to the bill now before us, if such interest is deemed to come under federal jurisdiction, it is far from being a charge contract. Insurance or service charges are not part of the interest charges

and, as the federal government has jurisdiction only on interest charges and as only the provinces have jurisdiction on contracts and interest the bill therefore becomes unconstitutional then and there.

So much for the unconstitutional aspect of the bill.

Now I want to stress the problems that the passing of this bill will create. I am told, but I cannot say that it is true although I read the bill over and over again, that it will not apply to large finance companies. Anyhow, it is of no importance as far as I can see. The bill is now restricted to those who sell goods on credit. They are forced to figure out two amounts: first they must compare the total of the credit sale to the amount of the cash sale. I do not object to this for I think it is necessary.

Secondly, they must figure this in terms of simple interest per year. And that is where we find the greatest difficulty and we are going to place this burden not on large financial institutions which do not sell goods but which deal in sales acceptance. When there is a sale on an instalment plan, the finance companies are the ones who discount the credit notes. Therefore they do not sell the product and they do not fall within the definition in this bill. Needless to say that the vendor will have to make all the computations provided for under this bill, sometimes very hard and sometimes impossible to do. This obligation will therefore fall on the country or small-town storekeeper who has neither the means nor the ability to do such difficult computing, but will have to do it or go out of business, unless he has this work done by actuaries. He could not do it himself because of the errors that he would make and because it would be impossible for him to compute the amount in terms of simple interest per year. If he fails to do that, he will contravene the provisions of the present bill, without even being aware of it. People think it is easy to calculate simple interest; it is one of the most difficult operations in mathematics. It is very easy to calculate simple interest for a year on $1, we learn it in school; those who did not should not be in business. However, to calculate simple interest, when we come to the present contracts which cover less than a year, we face multiple conditions, and it becomes absolutely impossible for the average man, even with the help of the most complete tables, to calculate simple interest.

If you want me to give you the views of people who are well informed on that subject, I will call to your attention a few authors who know much more than I do, who know more than most people, and who say that it is an operation that cannot be done easily. I will refer you to a small book which contains extracts from "Methods of Stating Consumers Finance Charges" by Robert W. Johnson, professor of financial administration, Graduate School of Business Administration, Michigan State. In that little book, which was condensed and can be found easily—I have some copies of it and I could lend them to those who are interested—he says that it is impossible to find the simple annual interest in the majority of credit sales that are made.

I shall quote another authority, one of the most reliable organizations in the United States. I refer to the monthly journal of the First National City Bank, which bluntly discusses a bill similar to this one, in the United States, the aspects of which are discussed in page 32 and following of the March 1962 issue. I will quote briefly from this review which is most important and known as entirely reliable. On page 33 it says:

(Text):

> The easiest conception, perhaps, is that the payment of $60 interest on a $1,000 loan at the end of one year would be 6 per cent simple interest. But business is not done this way. The practice among lenders is to charge interest at shorter intervals. Payment of $5 per month interest on a $1,000 one-year loan would work out to something in excess of 6 per cent simple interest. And there is no formula that will tell *exactly* what the simple interest equivalent would be.

(Translation):

The same publication tells how to work out the simple annual interest in certain given cases which do not cover more than four months; over four months, it is impossible; for less than four months, it is possible.

I should like the honourable senators to read this article so as to realize how complicated that is, and if city dealers cannot figure it out it is more difficult for country vendors. Our people who will be affected by this bill are ordinary people who are users of credit, who have not had any special education but who have business ability, who have

been successful in business, but who are not in a position, because of the various transactions that come up daily, to make such calculations. Therefore, I say you are going to impose that bill on people who are unaware of its implications but who think that the bill is just an ordinary measure to give out information. Most of our people will be unable to give the information and will be compelled to hire actuaries or accountants to make out the calculations and will therefore be forced out of business. There are some difficult cases and some impossible ones. In mathematics, it is the same as in other fields; through effort, you can always work out a solution to a problem, providing you have the necessary data to figure it out.

Now, in this case, in order to figure out simple interest, you have to know the total amount to be paid and the exact time within which it must be paid. Without this information, it is impossible to give the answer required by this bill. And I maintain that, in the great majority of cases, you do not have the essential information to do it. It is impossible for the individual, though he be the best mathematician in the world, to make the required calculations if the necessary information is not available to him.

May I give a few examples. Take all the amounts payable on demand, under a credit sale transaction. As the time within which the amount must be paid is unknown, it is absolutely impossible to arrive at exact figures. It is more than the simple annual interest at the moment the transaction was made, since the time during which to pay is not known. I have never been in the automobile business, but I am told that automobile dealers get automobiles from the plant by the "carload". These they store on their premises. They are called upon to pay the manufacturer on demand, but a tradition exists between manufacturers and dealers to the effect that no car has to be paid for until it has been sold. How can you calculate simple interest then? You do not know when the interest is due and it is absolutely impossible to calculate how much it will amount to. Those are frequent transactions. As the senator for Winnipeg North (Hon. Mr. Wall) stated in his speech, there is what is known as store credit under which a store extends to a customer from $500 to $1,000 worth of credit at any one time in the year. Yet, the store does not know when the merchandise will be purchased, when it will be payable nor what the monthly instalments will amount to. How are they going to calculate simple interest? I am asking honourable senators the question. Think of the situation you will create with respect to countless transactions—it would be impossible to calculate. We must not ask our vendors to do something which is just impossible. All honourable senators wish to protect the consumer against high interest rates; no one is against that. However, we must find a solution which is reasonable, constitutional and practical. If such a formula is brought forward, I will be the first one to vote in favour of such a bill. I should not want any Canadian to be charged excessive interest rates without his being able to compare with the rates charged elsewhere. However, I would not want to force a number of our vendors to abide by a law which is impossible to put into practice.

Hon. Mr. Vaillancourt: May I ask just one question concerning the report of the First National City Bank, which contains a rather surprising statement. Indeed, the report says that it is easy to calculate simple interest for a period of less than four months, but that it is rather difficult for a longer period. In fact, the report states that it is impossible.

Yet, back home we make loans for a period of ten, fifteen or twenty years, which are repaid monthly, and sometimes weekly, with all interest computed in advance. All the tables are prepared in anticipation. I wonder why we could not do the same thing. Could you explain it to me?

Hon. Mr. Bouffard: It is easy to explain. The computing of simple interest in such a case is approximate and, as the legislation asks for accurate figures, and you are unable to give such accurate figures, even with all your logarithmic tables, you get, under the circumstances only a tentative amount, and we should not demand of our businessmen that they give approximate figures, only to be told afterwards that they were only approximate.

But I shall give you another example. Let us take the case of a vendor or a manufacturer if you wish, who sells goods to a wholesaler or to a retailer. Take for instance a product of the textile industry which is sold to a wholesaler or a retailer in textiles, the amount being payable within ten days at a 2 per cent discount, within

30 days at a 5 per cent discount or within 40 days with 10 per cent—that is the opposite—this businessman will sell his merchandise at 10 days with a 10 per cent discount, at 20 days for instance at 5 per cent, or 30 days at 2 per cent. Well, is that not a discount; but what are you doing? You enable retailers and wholesalers to buy goods and pay within 10, 20 or 30 days, but depending upon the scheme chosen by the purchaser the discount varies and consequently the interest paid will be different. What will it be? Try to figure it out. Nobody can figure out such an interest. Why? Because we lack one essential factor. First of all, no one knows what will then be the choice of the interested party at the time of passing the contract. Secondly, if the time limit is 10 days, and if he does not pay within 10 days, what will happen? Then, the amount is payable by instalments. When will that person pay? In a day, in two or three days? Will the interest be the same after three months or six months? It is impossible to figure out. However, for centuries there have been people of good faith who have been buying that way. But such trading practices would have to be abandoned should this bill be enacted.

Let me give another example. Public utilities—I believe the honourable senator for Winnipeg North (Hon. Mr. Wall) brought up the question—almost all public utilities grant a discount for electricity, gas and so on, and the bill is payable within one, two, or three months. When the man comes to read the meter at a given period he determines the amount due and the bill is sent to the user. The user will receive a bill on which it is written that the amount is payable on a certain date less 10 per cent discount. After that day he has to pay 10 per cent more. But who is going to figure out the amount of interest? Everybody knows what the figure on the bill is, but who is going to figure out the simple interest rate? If the bill is paid within the next five days, then the interest will be much higher than if the payment had been made one, two, three or four months later. This means that nobody is able to make this calculation for the simple reason that essential data is missing. That calculation can absolutely not be made by anyone, even by the best mathematician in the world.

I do not intend to draw out the discussion any longer. I simply wanted to express my views. I wanted to let this house know that I would wholeheartedly support a bill which would bring a practical solution to this problem. Let us not put forward a solution which will annoy all merchants, which will put part of the people in the impossibility of implementing it. So, next year, all kinds of representations will be made to us, so that we will be forced to amend this bill once again or else shelve it for good.

If you will allow me, I would suggest a formula which would solve the problem. First, there is now a royal commission on banking, commerce, industry, finance etc. Why not submit the matter to that commission? Perhaps it could find means of solving the problem to the benefit of everyone, and thus give everyone some practical solution. I suggest, therefore, that the matter be submitted to the royal commission on banking, commerce, industry, etc.

The second suggestion I would hazard, would be that in Europe, in most countries in Europe that is, the calculation of the simple interest rate is not mandatory, but the buyer must be asked what the cost would be to him in terms of cash or credit, including insurance and service charges. This is a must in all European contracts. Why should we try to go further in placing on our merchants' shoulders a burden which they will find impossible to bear? Therefore, why do we not adopt the plan followed by those countries which are ahead of us commercially? In the United States where there is a considerable amount of sales, they have not found as yet the solution to this problem and a bill introduced by Senator Douglas has been the subject of discussion for the last two years without a solution being reached as yet.

Hon. Mr. Méthot: May I ask you a question?

Hon. Mr. Bouffard: Certainly.

Hon. Mr. Méthot: Do you suggest that this bill covers the discounts allowed on purchases made on credit?

Hon. Mr. Bouffard: In my opinion, it covers everything. This becomes a matter of interpretation. However, I do not have this bill with me but it seems to me that this becomes a matter of interpretation. My friend has just handed me a copy and I quote:

(Text):

> "finance charges" means the total cost of the credit to the consumer thereof, and includes interest, fees, bonuses, service charges, discounts and any other type of charge;

(Translation):

I think that there is no doubt about that. It is not interest.

(Text):

There are some other difficulties with respect to the bill, but I have submitted my reasons for finding the bill unconstitutional and absolutely impossible of application.

On motion of Hon. Mr. Brunt, debate adjourned.

UNITED NATIONS

SIXTEENTH SESSION OF GENERAL ASSEMBLY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of the Honourable Senator Brooks, P.C., calling the attention of the Senate to the Sixteenth Session of the General Assembly of the United Nations, held in New York City, and in particular to the discussions and proceedings of the Assembly and the participation therein of the delegation of Canada.

Hon. G. Percival Burchill: Honourable senators, after listening to the excellent address delivered by my honourable friend from Royal (Hon. Mr. Brooks) last Thursday, and that by my honourable friend from De la Durantaye (Hon. Mr. Pouliot) last night, I feel there is little I can add for the information of the chamber on the subject before us. However, I cannot let this occasion pass without expressing my warmest thanks to my honourable leader (Hon. Mr. Macdonald, Brantford) for making it possible for me to attend the session of the United Nations, and I would like to join with the two previous speakers in expressing admiration of the United Nations and to say I am a warm supporter of the people who are working tirelessly in that vast organization.

We have all read and heard much about the institution of the United Nations, but one has to go there in person, attend the session and follow the proceedings, in order to capture its atmosphere. Then you realize that you are attending a forum of free discussion where representatives of practically every nation in the world can express their opinions on problems which are of concern to all countries.

I found it an exhilarating and informative experience and, notwithstanding the shortcomings and frustrations encountered at the United Nations, I came away with the feeling that it has a stabilizing influence on world peace and deserves the support of free men everywhere.

I think I can best portray the proceedings at the United Nations by giving some impressions that I gained while I was there. First impressions are lasting ones with me; at least, that was my experience in New York.

I was favourably impressed on my arrival at the Pennsylvania station in New York when I was met by a member of the Canadian delegation, an honourable gentleman from the other house who is not a political but is a personal friend of mine, Mr. Gage Montgomery. He was good enough to rise at an early hour in the morning to meet us at the station with a mission car and conduct us to our hotel. That act of kindness set the tone for my whole experience at the United Nations, for all the time I was there I received assistance from every member of our delegation.

In this connection I should like to pay tribute to my old friend, the honourable senator from Royal (Hon. Mr. Brooks), who distinguished himself as vice-chairman of our delegation. He did honour to the Senate and to his native province of New Brunswick. He worked assiduously and indefatigably at all times in his conscientious way. The only criticism I had to make was that he worked so hard I was deprived of his company much of the time.

People generally do not realize the tremendous amount of work done by the principal delegates, and especially the vice-chairman of the Canadian delegation. I can testify that Senator Brooks, our vice-chairman, was on the job continuously. In fact, the entire Canadian group was energetically and conscientiously on the job all the time. I liked to watch Ambassador Ritchie as he moved through the various delegations, and it was easy to see how highly regarded he was by observing his association with the various delegation leaders. His sound judgment and practical approach made him welcome wherever he went, and one could not but feel that Canada's interests were safe in his hands.

The other Canadian delegates made a grand contribution, and Canada's voice was listened to with respect in the various committees. General Burns on disarmament, Brigadier Price on finance, and Ambassador Tremblay, who represented Canada on the Special Political Committee, all were prominent in their contributions to the work of the UN.

I was very much impressed with the whole staff of the Canadian Permanent Mission, and I wish also to make special mention of the staff of the Department of External Affairs. I understand there are about thirty-five persons in the permanent establishment at New York, and that during the sessions of the Assembly this staff is increased to eighty or more. These men and women are of a splendid, high-calibre type of which this country might well be proud.

I was impressed by the speeches of the representatives of the new African nations. The

honourable senator from De la Durantaye (Hon. Mr. Pouliot) described their use of perfect French, and I want to say that the clarity of expression and the splendid delivery of their English truly amazed me. In fact, the speeches reminded me of the debate in Parliament on the address in reply to the Speech from the Throne, where considerable latitude is allowed and one may discuss any subject he likes. There was no restriction at all. The speakers followed for the most part the same pattern. They would commence with a note of congratulation to the newly-elected President and include a moving and eloquent tribute to that wonderful man, the late Dag Hammarskjold, who had just passed away. They would go on to a denunciation of colonialism and how in all its phases it had affected their state and the neighbouring states. The speakers would then conclude with a great burst of optimism as to the glowing prospect ahead since they had become free and independent. That was the general pattern of the speeches.

Perhaps honourable senators might be interested in hearing of an incident which occurred on the occasion of the speech of the representative from South Africa, who devoted a major part of his speech to a defence of the apartheid policy in his country. Whether one agrees with his philosophy or not, his speech struck me as being a particularly able one. He cited figures as to the number of schools, universities, hospitals, and trained personnel in his country, to support his statement that the well-being of the people living in his country was high compared with neighbouring states, and that the percentage of illiteracy among the natives in South Africa was much lower than that of other African countries.

At the conclusion of that address, the representative from Liberia mounted the rostrum, and in a very bitter speech stated that the South African delegate had insulted the African races and had made statements that were untrue. He then moved that the South African speech be expunged from the records. The Assembly was tense when he finished his remarks. I happened to be alone with one of the junior members of the staff of the department at the time, the others all being occupied in committee proceedings. In my ignorance I feared that a snap vote might be taken on the motion, so I dispatched my young friend to find the vice-chairman or the ambassador, and they arrived forthwith. However, there was no occasion for haste and my fears were groundless, because the motion set off a round of speeches which went on for two or three days, and several days passed before the Liberian representative could be persuaded to water down his resolution to a motion of censure, which was finally voted on.

When that vote was taken and Canada was called, my honourable friend opposite responded, wisely, I thought, with "Abstain". A minute or two later, when the name of the United Kingdom was called, the response was "Not participating". I was curious to learn the difference between "Abstain" and "Not participating". However, my honourable friend opposite could not enlighten me very much, so I decided to be content to regard it as a distinction without a difference.

Hon. Mr. Brooks: There was not much difference.

Hon. Mr. Burchill: As I listened to the abstentions that day, it occurred to me that whether one agreed with them or not, each had the right to express his own opinion in a free assembly. It was pointed out that some of our Russian friends had expressed sentiments on a number of matters that many did not agree with at all, and they had not been asked to expunge their remarks. I felt that this practice of abstaining might be quite useful, honourable senators, if we adopted it sometimes in our discussions in the Parliament of Canada.

Ambassador Ritchie and Senator Brooks very generously made it possible for us to attend many functions, both social and otherwise. We were guests at a reception and luncheon given under the auspices of the Women's Division Federation of Jewish Philanthropies of New York, at the Hotel Pierre. It was a most delightful affair. On United Nations Day we attended an interesting ceremony in City Hall, on the invitation of Mayor Robert F. Wagner. In the evening we were entertained at a Salute to the United Nations Ball given by the United States Committee for the United Nations at the Waldorf-Astoria. It was a spectacular event, at which thousands of persons were present. I was sorry my friend opposite (Hon. Mr. Brooks) could not be present. These events afforded us the opportunity to meet many distinguished persons.

We also attended an interesting function arranged by the Secretariat of the United Nations and the National Council for United States Art. It was the presentation to the United Nations of a piece of sculpture placed on the east side of the exterior wall of the General Assembly building. It had been designed, after consultation with the former Secretary-General, the late Dag Hammarskjold. While listening to the many interesting speeches delivered by distinguished people that day, I was particularly struck by the remarks of the United States Ambassador,

Adlai Stevenson, who informed us that the sculpture facing the east was intended to convey in the language of art the word "Inspiration". Mr. Stevenson said that it was much more fitting to use that word on the outside of the building, as those who were labouring on the inside in their effort to make progress in negotiations for disarmament and for an easing of world tension would be more in the habit of using the word "frustration" or even "desperation". I could appreciate what he meant by that, because often after days and weeks of planning and trying to establish some basis for negotiation, the plans would fall to the ground and we would sense a feeling of absolute frustration and desperation.

My only regret, as I think back over my experience, is that I did not get the opportunity of meeting more of the delegates from the various countries. In that respect I was not as fortunate as my honourable friend from De la Durantaye (Hon. Mr. Pouliot). I agree with him that one of the great advantages of attending the United Nations Assembly is the opportunity it gives for personal contact. I want to suggest for the future that perhaps some way could be worked out whereby the observers—and we were there as observers—might get to know and talk with more of the delegates from other countries.

The honourable senator from Royal (Hon. Mr. Brooks) referred to the long and difficult negotiations which took place following the death of Dag Hammarskjold to persuade the Soviet Union to agree to the selection of U Thant as his successor. As you know, the Soviet Union wanted to substitute the troika principle. His selection was only accomplished after six or seven weeks of skilful diplomacy. A great measure of the success of the United Nations depends upon the Secretary-General for, apart from being the chief administrative officer, he is the father confessor, as Walter Lippmann so well describes him, to the member government; he is the man in whom they confide and who plays a very important—though perhaps hidden at times—role as mediator in international controversy. Thus, it will be seen how important it was for the future of the United Nations to find a successor to Dag Hammarskjold. The point I wish to emphasize is that U Thant's selection was finally brought about by influence exerted by the small, weak and unaligned countries who rallied to the cause of the United Nations. In this connection, I would like to quote the words of Mr. Walter Lippmann:

> Mr. Adlai Stevenson would be the last, I imagine, to call the result of the part he played a victory over the Soviet Union. A really good diplomat does not go in for victories even when he wins them. For the essence of a diplomatic success is that the contenders can accept the result without loss of face. A good diplomat, like the old Chinese warlords, never destroys the last bridge over which the enemy could retreat. What Mr. Stevenson has done—

And this is the point.

> —these past six weeks is to use the influence of the United States to help the weaker nations save the UN. Only a wise, experienced, patient and self-effacing man could have done it.

With that in mind, and after listening to the discussions and speeches which I heard, I think one might be justified in making the prediction that these small, weak and unaligned countries will play an even greater role in the United Nations of the future. Who knows but that the dreams of mankind for world peace and security may eventually be realized, not through armaments and the possession of nuclear bombs, but from the deliberations of the United Nations. Perhaps this is what Tennyson had in mind when he wrote in Locksley Hall over a century ago:

> Till the war-drum throbb'd no longer, and the battle-flags were furl'd
> In the Parliament of man, the Federation of the world.

On returning to my province, I was amazed to find the number of people who were interested in the United Nations. I was invited to address several groups in my community and throughout the province on the subject, and I found them keenly interested in what I had to say.

I came back a warm supporter of the United Nations. I recognize its difficulties, its problems and its shortcomings, and I sympathize very much with the people who amid disappointments and frustrations day after day, tirelessly continue working for the cause of peace. I recall the words of one of the speakers who, with strong feeling, described the United Nations as "the conscience of the world". As such, I feel it warrants the support of the Canadian people.

Hon. Mr. Reid: Honourable senators, would the honourable senator who has just spoken (Hon. Mr. Burchill) care to answer a question I have in mind? It is this: In your meetings and discussions off the record, in a casual way, with the various delegates, did you hear anyone mention China? I raise the question because I am one who has read—and I advise other members to read—the history of China up to the present day. If you do so, you cannot help but come to the opinion that that country is going to be the greatest menace to

peace, far greater than the Soviet is, in days to come. As a matter of fact, Khrushchev backed off from China, and the division is growing. China has 650 million people. The hatred they have for the United States and Britain, and people generally who are not Chinese, augurs very serious ill for the future. Therefore I was wondering if there was any discussion about allowing China to join the United Nations. I think it is a great mistake to keep her out.

Hon. Mr. Burchill: I agree with my honourable friend from New Westminster. China was not openly mentioned, although I think that back of the scenes, in the various rooms and in committees, there was a lot of discussion.

Hon. Mr. Brooks: I would like to say a word on that later.

Hon. Mr. Burchill: I agree with what my honourable friend from New Westminster says, and I felt all the time that there was a sort of shadow hanging over the place in so far as China was concerned.

Hon. A. J. Brooks: Honourable senators, in this connection may I say a few words? After the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) left New York a resolution was brought before the United Nations with reference to the admission of China to membership in the UN.

As you know, Formosa now represents China and there is a growing sentiment, not only at the United Nations but in different parts of the world, that these 650 million Chinese that the honourable senator from New Westminster speaks of should at some time have representation in the United Nations. It is not a practical idea that they should remain out for all time.

One argument used against communist China being admitted to the United Nations was that, to start with, she did not conform to the principles and regulations laid down in the United Nations charter. The strongest argument was that China will not recognize Formosa as a separate nation. She says that Formosa is a part of China and that, if recognition is given to communist China herself as a member of the United Nations, representation must be taken away from Formosa. The western nations and other fair-minded nations of the world said no, that Formosa should have a chance to seek self-determination.

I believe the feeling at the United Nations is that some day, if communist China changes her views internationally, Formosa and communist China could be represented at the UN as separate countries. Formosa has a population, as honourable senators know, of about 15 million, and there are nations in the United Nations that have less than 500,000 inhabitants; so it would not be an anomalous situation for Formosa, if she voted for self-determination and acquired definite independence, to be represented there. I believe there is the feeling that if communist China changes her opinions and principles, some day she may very well be represented. There was quite a long debate on this subject at the United Nations.

Hon. W. Ross Macdonald: Honourable senators it had been my intention to abstain from taking part in this debate, and even now I am not quite sure whether I will participate. However, I understand there are several other honourable senators not present today who may wish to take part in the debate. If it meets with the approval of honourable senators, I would adjourn the debate for, say, one week?

On motion of Hon. Mr. Macdonald (Brantford), debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 29, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENT TABLED

Hon. Walter M. Aseltine tabled:

Report and financial statements of the Export Credits Insurance Corporation for the year ended December 31, 1961, pursuant to sections 17(3) and 18 of the Export Credits Insurance Act, chapter 105, and of sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English and French texts).

PRIVATE BILL

CANADIAN PACIFIC RAILWAY COMPANY— REPORT OF COMMITTEE ADOPTED

Hon. John J. Kinley, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-17, respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries, and had directed that the same be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Bouffard: With leave of the Senate, I move the third reading now.

Motion agreed to and bill read third time and passed.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to the "exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from anyone to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, I am very anxious to know if any representation has been made to the Government by the champions of married women's rights for an amendment to the Constitution providing for the transfer of federal jurisdiction over marriage and divorce to the provincial legislatures; and, if not, if they have communicated with the Government, to have some amendments made to the Civil Code of Lower Canada, which is the code of the province of Quebec.

ADJOURNMENT

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Tuesday, April 3, 1962, at 8 o'clock in the evening.

Motion agreed to.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill C-75, to amend the Canadian Wheat Board Act.

He said: Honourable senators, it is a privilege for me to be given the opportunity of moving the second reading of Bill C-75, to amend the Canadian Wheat Board Act, and to say a few words in connection with it. It is a privilege for me because for many years I have been associated with farming and, though I have not been actively engaged in it for a number of years, I still manage some 8,000 acres of land for non-residents of my province.

Wheat and its effect on the economy of our country has been of the greatest importance because it concerns not only the welfare of some 230,000 farmers but also that of every individual in Canada. I should have liked to review the history of the Canadian Wheat Board and the form of marketing that the producers have established for their grain. However, I am not going to do that now, fascinating as that story may be, because it would take too long, and the fact is that the Canadian Wheat Board Act has been reviewed by Parliament every five years.

Although the Canadian Wheat Board is an independent body carrying on its own business for producers, in accordance with the statutes it has held certain powers for only five-year periods and unless the act is amended to extend these powers they will expire on July 31 of this year.

It has been considered practical and desirable for Parliament to review the activities of the wheat board every five years. In 1957 the Senate made an extensive study of the functions of the board, and should this bill receive second reading I hope that it will be referred to a committee where we will have an opportunity to look into the many phases of the work of the wheat board.

There is one item I should like to refer to specifically before I proceed with my explanation of the various sections of the bill. Whenever a payment is made for wheat, whether it is an interim payment of 15 cents a bushel or a final payment of a larger amount, some people in eastern Canada and the Maritimes—not honourable senators—seem to think the money is coming out of the treasury of this country.

Hon. Mr. Smith (Queens-Shelburne): Surely my honourable friend is not referring to members of the Senate.

Hon. Mr. Hnatyshyn: I certainly am not, and I think I made that very plain. I just want to make it clear as a matter of record that the Canadian Wheat Board is a marketing agency of the producers of this country. All the money that the farmers receive from it comes from the sale of grain negotiated by the wheat board, and the salaries of all the officials of the board are paid by the producers.

Hon. Mr. Lambert: The honourable senator has referred to the wheat board as a producers' board. It was that in the beginning, if I am not mistaken, but it has long since been established by legislation of this Parliament as a crown corporation, and it is today the property of the Government and the people of Canada. It is not a producers' board exclusively. I stand to be corrected.

Hon. Mr. Hnatyshyn: With all due respect, I differ with my honourable friend. I maintain that for all intents and purposes it is a producers' board. No Government has dared interfere with the functions of the Canadian Wheat Board. The board has almost 100 per cent support from the 230,000 producers I have mentioned. However, I will not start a debate on that point at this stage.

Honourable senators, the main purpose or principle of this bill is to extend for another five years the provisions of the Canadian Wheat Board Act, which expires at the end of this crop year, namely, July 31 next. The board is the sole marketing agency for western wheat, oats and barley in all interprovincial and export trade, the exception being that farmers can buy grain from other farmers in a province without marketing it through this agency.

From what I have read in the proceedings of this house, a very extensive study was made of the history of the wheat board, and for that reason I am not going to deal with that aspect. However, there are certain activities of the wheat board that to a large degree are dependent on supply and demand, and I think this would be of interest to the house.

The all-time peak carryover occurred in the 1956-57 crop year, when there were some 733 million bushels of wheat on hand in Canada. That was one of the big difficulties as far as the economy of western Canada was concerned, for the farmers had the wheat on hand and were not able to sell it. I am happy

to state that the carryover as estimated at July 31, 1962 will be less than 300 million bushels. In fact, it is now so low that many are concerned as to whether it should go much below what it is today, in the event of another crop failure.

This has been the first occasion in nine years that the carryover into the new crop year has been less than 500 million bushels. There are two important factors for the drastic reduction in the carryover: first, we have had well above average exports and, secondly, we have had below average production. These two factors combined have disposed of one of the serious problems that existed as far as the western farmer was concerned.

Wheat is a very important factor in the economy of our country, not only to the producer but to all citizens. The domestic usage of wheat has remained fairly well constant over a number of years, averaging between 148 million bushels and 166 million bushels per year, whereas exports over the last five-year period have averaged around 320 million bushels compared to 295 million bushels per year for the preceding five-year period. Exports during the crop year 1960-61 and the combined exports of wheat and flour in that one crop year amounted to 353.3 million bushels.

Last year there was a strong demand for Canadian wheat in Europe and other traditional markets of Canada. In that crop year sales of wheat to Japan reached a new record of 56.6 million bushels. A heavy demand came from Europe for durum wheat, with the result that stocks of that grain in Canada are almost exhausted.

While on a visit home ten days ago I heard a persistent rumour—I do not suggest that any member of the Senate started it—that there is something wrong with the wheat payments as far as the Peoples Republic of China is concerned, implying that that customer has defaulted in its payments.

Honourable senators, I only wish to point out to you, and also to put on the record the fact that sales of wheat and barley to China to date have accounted for $190 million, of which amount $108 million has already been paid. Payments are up to date. The latest payment, that of $11 million for February and March, has been made. From January 3, 1961 to March 12, 1962 the price of No. 1 Northern wheat, basis in store Lakehead, increased by 22⅝ cents a bushel. Durum wheat, as honourable senators are aware, increased 75 cents per bushel. This has spread very substantial benefits throughout the Canadian economy because, as I stated before and now repeat, the wheat economy in Canada benefits not only the producers but every citizen of the Dominion.

The Canadian Wheat Board during 1961 brought to Canada seven important missions for the study of methods of production, handling, storing, milling, processing and merchandising of western grain. These groups were composed of milling representatives from various countries and grain trade officials. They represented the following countries: Belgium, Ireland, United Kingdom, Austria, Switzerland, Norway and the Peoples Republic of China. In addition, the Canadian Wheat Board, with the assistance of the Department of Trade and Commerce, has kept in close contact with overseas customers through personal visits to the principal markets in Europe, Central and South America, the Caribbean area, and Asia, with the result that the surplus has decreased in the manner and for the reasons I have pointed out.

One of the big problems in western Canada has disappeared, namely, the so-called quota system whereby each individual farmer could sell only a certain number of bushels of wheat per acre. According to the figures given to me by the departmental officials, as at March 26, 1962, some 1,920 delivery points in western Canada, or 99 per cent, were on an open delivery quota, seven were on a six-bushel quota, and 22 were on a seven-bushel quota. It is anticipated by the officials of the department that in a very short time—probably less than a month—all delivery points will be on an open quota basis. Many of the 29 delivery points not now on an open quota with stocks of No. 1 Northern wheat exclusively are in the Vancouver shipping area. To ship No. 1 Northern from these points in excess of market requirements would cause congestion at Vancouver for a grade of wheat not in immediate market demand. However, it is anticipated that additional quantities of No. 1 Northern will be required in the near future at Vancouver, and these stocks will be shipped from these 29 points. A daily check is being made on the 29 points in order that they will move to an open basis as rapidly as possible, consistent with good marketing practices.

Before closing my general remarks I should like to deal with the various amendments proposed in Bill C-75.

Clause 1: The purpose of the amendment to paragraph (e) of subsection (1) of section 2 is to bring rapeseed within the jurisdiction of the Canadian Wheat Board Act. Rapeseed is now considered a grain for purposes of the Canada Grain Act and the Railway Act. All rapeseed delivered to an elevator must be accepted for storage if space is available.

Thus, an elevator could be congested with rapeseed to the detriment of other grains which are subject to the board's quota regulations. The proposed amendment would permit the board to establish delivery quotas on rapeseed, if such are considered necessary, and to control its movement into terminal elevators, where in this and past years it has caused some congestion on certain occasions.

The purpose of the amendment to paragraph (f) is to effect an editorial change necessitated by reason of the transfer of responsibility for the Canadian Wheat Board from the Minister of Trade and Commerce to the Minister of Agriculture.

Clause 2: At present there is no provision in the Canadian Wheat Board Act for the establishment of a group insurance scheme for the members and employees of the board. Offhand, I believe there are approximately 724 employees of the Canadian Wheat Board. The purpose of the amendment is to permit the board to arrange for group insurance to cover death benefits as well as medical-surgical benefits for the board's members and employees, with the approval of the Governor in Council. The amendment would permit the board to contribute the employer's share of the cost and to charge such cost as an expense incurred in connection with the operations of the board. Both the board and the Government are of the belief that an employees' group insurance plan is warranted on the basis of good business practice and that it is a fringe benefit that is required in order to attract and hold adequate personnel. There would, of course, be no commitment on the Consolidated Revenue Fund. I need hardly repeat that this expense would be borne by the producers.

Clauses 3, 4 and 6: The purpose of these amendments to sections 23, 24 and 34 respectively of the act is to extend for another five years certain vital sections of the Canadian Wheat Board Act which expire, as I have already stated, at the end of this crop year—that is, on July 31 next. These sections have the effect of maintaining the board as the sole marketing agency for western wheat, oats and barley in interprovincial and export trade. If this bill goes through rapeseed will be included.

Clause 5: At present the act permits the board to transfer undistributed balances from pool accounts that have been open for over six years to the board's separate account, and to pay claims against such transferred accounts of grain. Because the 1945-49 five-year pools had large undistributed balances, which have now been transferred to the separate account, and because the undistributed balances since then have been relatively small, the possibility exists that the sum total of claims presented against pool accounts that have been transferred would be greater than the total of the undistributed balances in the earliest open pool accounts.

The amendments would permit the board to use the moneys in the board's separate account to pay *bona fide* claims against pool accounts that have been closed out by transference to the separate account, instead of paying them from the undistributed balances in the earliest open account, as at present.

With this short explanation, I highly commend this bill to all honourable senators.

Hon. J. Wesley Stambaugh: I wonder if the honourable sponsor of the bill would have any objection to adding mustard seed, as well as rapeseed, to clause 1, paragraph (e)?

Hon. Mr. Hnatyshyn: Personally, I would have no objection. I understand that presently there are certain difficulties and that they will exist until certain other acts are amended to make mustard seed a grain. I would agree with the honourable senator that mustard seed should be added, but I am informed by the law officers and by officials of the department that there would be great difficulty in adding it.

Hon. Mr. Stambaugh: Honourable senators, I am glad that the honourable senator agrees with me, because it seems that the same reason for adding rapeseed applies to the adding of mustard seed. If we are able to add rapeseed, we should be able to add mustard seed.

Hon. Mr. Macdonald (Brantford): Hear, hear.

Hon. Mr. Stambaugh: Furthermore, I am sure that it is just as necessary to have mustard seed included in this bill, and I am sure that it would be just as popular with the farmers of western Canada. It would help the farmers of western Canada who are raising mustard seed, if it were added to this bill.

In other respects this is a very good bill. I have nothing but praise for the way the Canadian Wheat Board has handled our wheat, and later on our oats, barley and flaxseed. If my memory serves me right, when the wheat board was first formed some 25 years ago, it was to handle wheat only. Later on, it commenced to handle oats and barley and, later still, rye and flaxseed. Now rapeseed is being added. Next year, we may get around to adding mustard seed. I hope we shall do that.

I can scarcely agree with the sponsor of the bill that this is purely a producers' board. I know that the producers pay all the expenses and in that respect it is a producers' board; but if it is not a Government agency, I do not understand why it comes under a

minister and a department or why it has been transferred from one department to another.

Some years ago, a deal was made by this Government with the British Government to sell our wheat at a certain price. To the western farmers that was not a very good agreement. I also know that the western farmers and the Canadian Wheat Board had nothing to do with that agreement. As a matter of fact, I know the Chairman of the wheat board was opposed to it. If that agreement were purely a producers' agreement, I think they would have had something to do with it.

On the other hand, a deal is being made right now with China, which appears to be a good deal, and the Government is making it.

Hon. Mr. Brunt: Hear, hear.

Hon. Mr. Stambaugh: Even so, the Government refuses to give us details of that deal or to make the terms of the contract known to us. I am a producer of wheat and I sell my wheat to the board. If this is my board, then as a producer I am certainly entitled to know what that agreement is. On the other hand, if this is a Government agency it seems to me that Parliament has the right to know what that agreement is. Therefore, in my opinion the sponsor is wrong in claiming that this board is a producers' board.

With regard to clause 2, I see nothing wrong in it. As a matter of fact, I am surprised that this action has not been taken before. In any case, I doubt that it is absolutely necessary to come to Parliament for agreement on this point. I understand the board has over 700 employees. The board should have the same rights as any other crown corporation, agency or employer, to insure its employees.

By and large, I am in favour of the bill and shall vote for it. I am glad to see that it has been brought in, though I must repeat that I am sorry that we cannot add mustard seed to it.

Hon. Mr. Pearson: Honourable senators, I would like to put a question to the sponsor of the bill. I notice that clause 1 includes wheat, oats, barley, rye, flaxseed and rapeseed. Why is rye included? As far as I know, it does not come under the wheat board.

Hon. Mr. Brunt: We can amend it when it goes to the committee.

Hon. Mr. Pearson: I have raised rye for many years and always got the full cash price for it.

Hon. Mr. Brunt: We will amend the bill in committee.

Hon. Mr. Croll: The act says that "grain" includes wheat, oats, barley, rye and flaxseed.

Hon. Mr. Hnatyshyn: I think the Canadian Wheat Board never found it necessary to put rye on a quota basis, as the demand has always been greater than the supply, and the crop grown has always been a cash crop.

Hon. Mr. Reid: Has the honourable senator any information regarding the number of farmers now growing wheat as compared with that of ten years ago? I understand there has been quite a drop in the number of farmers actually engaged in agriculture.

Hon. Mr. Hnatyshyn: I can give only the general information which was given to me by an official of the department. It relates not to the number of farmers but to the number of people engaged in farming, some of whom may not be operating a farm but may be working on one. I understand that there has been a drop of 400,000 in the past ten years, but that the reduced numbers produce more.

Hon. W. Ross Macdonald: Honourable senators, I am sure the sponsor of the bill (Hon. Mr. Hnatyshyn) has a very good knowledge of the Canadian Wheat Board Act. A question was addressed to him by the honourable senator from Bruce (Hon. Mr. Stambaugh) as to why mustard seed was not included, and he answered that it would be difficult to administer it under the board. As one who knows much more about mustard seed than I do about rapeseed, I cannot understand where the difficulty would lie in administering the act if mustard seed were included.

I say with all sincerity that the sponsor of the bill is well informed on this matter, and I wonder if he could explain to the Senate just where the difficulty would be if mustard seed were brought under this board. All honourable senators who have spoken were in favour of bringing mustard seed under the bill. Perhaps we could be informed as to where the difficulty lies.

Hon. Mr. Hnatyshyn: Honourable senators, I do not think that is quite what I said. I repeated just what I had been told, that there would be some legal difficulty in bringing mustard seed in. I understand that the Grain Act relates to grain, and that the change would necessitate the amendment of it or some other act.

I have not examined this from a legal point of view and am stating now merely what was told to me by the officials of the department. Perhaps, as a lawyer by profession, I should have briefed myself on the point, but having not done so, I cannot be more precise.

The Hon. the Speaker: Honourable senators, is it intended that this bill should be referred to a committee?

Hon. Mr. Brunt: Yes, Mr. Speaker.

Hon. John G. Higgins: May I ask the honourable senator if he has ever heard of creeping red fescue seed and if so, is it included in the provisions of this bill? I have never heard of it before. I have here a clipping from a newspaper in my own home town which refers to it.

Hon. Mr. Hnatyshyn: Perhaps it is something that grows only in Newfoundland.

Hon. Mr. Higgins: No, this report comes from Ottawa. It does not grow in Newfoundland. As a matter of fact, we do not grow enough wheat to make a barrel of flour. This news item reads:

> Authorities here say they are puzzled by an American senator's allegations that Canadian growers of creeping red fescue seed—a forage crop—enjoy a hidden subsidy to the detriment of United States producers.

This allegation, apparently, comes from Senator Wayne Morse. The news item reads further:

> Creeping red fescue is used in Canada to seed forage areas in community pastures operated under the Prairie Farm Rehabilitation Act. But exports are the main item.
>
> These have increased to nearly 15,000,000 pounds as of April 30 last year compared with 7,236,000 pounds on average annually in the 1954-59 period.

I wonder why this seed is not mentioned in this bill.

Hon. Mr. Hnatyshyn: I think that would be a good question to put to the newspaper that printed that information.

Hon. Mr. Higgins: The item bears an Ottawa dateline. A journalist who sits down to write at the place where the news comes from does not make a mistake about the place. The departmental authorities must know something about it. I must say it is a name that has been hidden from me. There seems to be some importance to it when Senator Wayne Morse of the United States makes this complaint.

Motion agreed to, and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to the Standing Committee on Banking and Commerce.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. William R. Brunt: Honourable senators, when Bill S-2 was introduced in this chamber it was not my intention to participate in the debate on it. However, in view of the many opinions which have been expressed with regard to the bill, I now feel that there are a few remarks I should make.

I should like, first of all, to compliment the honourable senator from Toronto-Spadina (Hon. Mr. Croll) on the composition of the bill. We are all aware that this is the third bill dealing with this particular subject that the honourable senator has introduced. I believe the original bill, Bill S-25, was introduced in this chamber on March 16, 1960, and after being debated here and studied by the Standing Committee on Banking and Commerce, it failed to pass.

The honourable senator then amended clause 4 of his original bill, and introduced it as Bill S-4, on December 14, 1960. The amendment to clause 4 was a very minor one, and I believe it was made for the sole purpose of clarifying the meaning of the section.

Finally, on January 31 last the honourable senator presented Bill S-2, dealing with the same subject matter. This bill, however, is quite different from and, I am sure everyone will agree, a great improvement over the two previous bills that my honourable friend introduced.

I would like to compliment and congratulate Senator Croll for the very extensive explanation he gave when he moved the second reading. However, despite the improvements in this bill over previous bills, and the excellent presentation of it, I do not feel that I can support it. If a vote is taken on this motion my present feeling is that I shall vote against it.

I have three reasons for not supporting this particular bill: first, it is most unfair to the small merchandiser of goods in this country, and gives to the large merchandiser a very distinct advantage. In other words, this bill, in my opinion, is detrimental to the many thousands of small storekeepers across Canada who are carrying on a credit, time-payment business.

Secondly, it is my opinion that it is impossible to properly ascertain and compute the percentage relationship expressed in terms of simple annual interest that the total amount of the finance charges bears to the

unpaid balance outstanding under any transaction. In other words, I do not think that paragraph (c) of clause 3 is workable.

Hon. Mr. Macdonald (Brantford): May I ask the honourable senator one question for purposes of information? He said that he thinks the bill is detrimental to the small storekeepers across Canada. Do his thoughts in that connection apply to small storekeepers of every kind?

Hon. Mr. Brunt: To everyone who sells merchandise. I might clarify this by saying it is detrimental to all storekeepers who make credit sales and impose finance charges or who sell goods on a monthly time-payment plan.

Hon. Mr. Lambert: May I add to that question? It would be very enlightening if the honourable senator would make clear the disadvantage that the small storekeepers are under now. They are under a disadvantage today.

Hon. Mr. Brunt: I am coming to that. For the moment I will say "a further disadvantage".

Hon. Mr. Macdonald (Brantford): I do not know whether the honourable senator finished his answer to my question.

Hon. Mr. Brunt: I thought I had. The storekeeper who is selling for cash today is not concerned at all with this bill.

Hon. Mr. Macdonald (Brantford): For instance, is the small grocer going to be bothered by this bill?

Hon. Mr. Brunt: Yes, if he sells on a time basis, and imposes finance charges. Those are the the small storekeepers who are going to be put at a disadvantage by the passage of this bill.

Thirdly, I have grave doubts as to whether the bill is in proper form. Clause 5 also gives me considerable concern.

Honourable senators, I shall deal now with my three objections to the bill in the order in which I mentioned them. My first objection is that the bill is unfair to the small merchandiser. There is no doubt that if the measure passes Parliament and becomes law, the large stores and merchandisers throughout Canada will arrange for their own finance companies to open a department within the store, or outside finance companies will be invited into the store to open up a department, and both such departments will be used to finance credit purchases.

This is an opinion I have had ever since this bill was first introduced, an opinion which is confirmed by a news item which appeared in the *Financial Post* of March 21 last headed "Strange Doings Afoot in Credit". This article reads, in part, as follows:

> Some discounters—

And "discounters" are large stores, located in the larger centres of Canada, that sell goods at a discount—

Hon. Mr. Croll: But not on credit.

Hon. Mr. Brunt: Oh, yes. Wait until you hear what they are going to do.

Hon. Mr. Croll: As a matter of general knowledge, does the honourable senator not know that the discount stores sell for cash?

Hon. Mr. Brunt: Wait until you learn how they handle their cash transactions. This is something entirely new that has been introduced.

> Some discounters have finance companies handling credit arrangements independently, from an office in their store. Others pay these firms a fee to run a credit department. Others run their own.

The article then goes on and states that:

> One of the latest moves has been made—

And I am going to give some concrete examples.

> —by Laurentide Finance Company, which opened an office last week at the Sayvette Ltd. department store in Thorncliffe Park, a suburban Toronto development. Next week this company will open an office at Sayvette's second store which is located on North Young Street.

The article goes on to say that in these offices Laurentide will offer a full range of credit services, including conditional sales contracts, and direct personal loans, as well as coupon scrip credit arrangements for all Sayvette purchasers.

Hon. Mr. Macdonald (Brantford): But Sayvette is not a small store.

Hon. Mr. Brunt: I never said it was.

Hon. Mr. Macdonald (Brantford): They are the ones who are going to suffer.

Hon. Mr. Brunt: They are going to benefit.

Hon. Mr. Macdonald (Brantford): I thought you said the small storekeepers are going to suffer.

Hon. Mr. Brunt: That is right. This is a large store which is going to benefit. You can go into the store, make your credit arrangements, get the cash and buy the goods, and there does not have to be any disclosure as called for by this bill.

Hon. Mr. Macdonald (Brantford): I was just asking for information.

Hon. Mr. Brunt: Furthermore, Laurentide already operate credit-granting branches at two Miracle Mart stores in the province of Quebec. These are the low mark-up, self-service department stores run jointly by Woodward Stores Ltd. and Steinberg's Ltd. Laurentide have also opened a credit office at the Mon Mart discount store in the city of Montreal.

Atlantic Acceptance Corporation has opened an office at Frederick's Department Stores Limited, located in London, Ontario, and further, Banner Discount Department Stores Ltd. states that it may take on a finance company with future expansion of its business. What this means is that not one of these stores has to sell on time, and yet there are credit arrangements and facilities right within the store.

I am sure that all honourable senators will realize that the small, independent storekeeper across Canada would not have sufficient volume of credit business for a finance company to open a department in his store. Such a department can only be opened and operated at a profit in the large stores throughout Canada. There is nothing to prevent Eaton's, Simpson's or any other large store, from having a credit department set up where the money is advanced to the purchaser. The purchaser pays the finance and other charges to a credit company, and he takes the cash from the credit company and buys the article from the store for cash. I am thinking of Eaton's, Simpson's and other large stores which, by this procedure, would not have to comply with the provisions of this bill.

Hon. Mr. Reid: Does my honourable friend think this legislation would have any effect on bringing about the situation he has just outlined?

Hon. Mr. Brunt: It might. These credit people may be keeping just one jump ahead of the honourable senator from Toronto-Spadina (Hon. Mr. Croll).

Hon. Mr. Croll: I am listening with interest and I do not want to interrupt my honourable friend, but what he is saying is not new. He knows that the purpose for which all this is being done is to meet Eaton's and Simpson's competition, because they will put them out of business in six months.

Hon. Mr. Brunt: Is there anything to prevent Eaton's or Simpson's from doing the identical thing without having to comply with the terms of this bill?

Hon. Mr. Croll: They are doing it now, and they are complying as well as they can.

Hon. Mr. Macdonald (Brantford): May I ask the honourable senator from Hanover a question? I am not for or against this bill at the moment. I am just looking for information, as are many other honourable senators. Could not the Sayvette company and the associated credit companies do what the honourable gentleman has said they are going to do, whether or not this bill comes into effect?

Hon. Mr. Brunt: Yes, that is right. There is no argument about that.

Hon. Mr. Macdonald (Brantford): Then what has this bill to do with the new set-up?

Hon. Mr. Brunt: What I am saying is, even if the bill passes it would not affect the arrangement they now have.

Hon. Mr. Roebuck: Would the honourable senator support an amendment to the bill making it wide enough to include the finance companies to which he refers?

Hon. Mr. Brunt: That provision was in the second previous bill and it was not acceptable.

Hon. Mr. Roebuck: You opposed it.

Hon. Mr. Brunt: It was not acceptable, and that is why it was taken out.

Hon. Mr. Macdonald (Brantford): Does the honourable gentleman suggest that Sayvette and similar companies would not be able to do what they intend to do if they thought this bill would come into effect?

Hon. Mr. Brunt: I think they would do it anyway. But they have facilities to get around this legislation, and I say the small storekeeper does not have these facilities.

Honourable senators may not know that a similar bill to this was introduced two years ago by the Honourable Paul H. Douglas, the senator from the State of Illinois. Ever since then Senator Douglas has been urging Congress of the United States to pass a law so that every borrower in that country would know what he was being charged for interest. I hold in my hand a volume published by the Government of the United States entitled "Truth in Lending Bill". It contains the minutes of the hearings before a subcommittee of the Committee on Banking and Currency of the U.S. Senate.

Hon. Mr. Croll: I know what my honourable friend is going to read from and that is his privilege. I just want the record to be correct, and I know he will forgive me for interrupting him. He said that a similar bill to this was introduced by Senator Douglas.

Hon. Mr. Brunt: Yes.

Hon. Mr. Croll: Well, it was a similar bill to the one I first introduced in the Senate, but

it is not similar to this one at all. It was similar to the first one, which included mortgage companies and so on.

Hon. Mr. Brunt: All right. In any event, this volume contains 1,388 pages and deals with the evidence given before this committee during July of last year. If any honourable senator would care to read the volume—

Hon. Mr. Roebuck: Have you read it?

Hon. Mr. Brunt: —he will find that it contains some very weighty objections to the passage of the bill by the United States Congress, which bill was similar to the one originally introduced here by the honourable senator from Toronto-Spadina. Furthermore, Congress faces the same difficulty which we have here, namely, a grave doubt as to whether the bill is constitutional.

The next matter I should like to deal with is the interest charge. Simple interest is not as simple as it sounds. Neither teachers nor dictionaries always agree as to what the phrase means. The clearest illustration, perhaps is that of a $1,000 loan and the payment of $60 interest at the end of the year. This would be 6 per cent simple interest, but business is not done this way. The practice among lenders is to charge interest at shorter intervals. Payment of $5 per month on a one-year loan of $1,000 would make it something in excess of 6 per cent simple interest, and there is no formula that will give exactly what the simple interest equivalent would be.

There is an annuity formula for computing the effective interest rate equivalent to simple interest on an instalment loan contract. It is as follows:

$$\frac{A}{R} = \frac{1 - (1 + i)^{-n}}{i}$$

where A = cash advanced
R = monthly payment
n = number of payments
i = interest rate

As anyone can see, this is a very difficult equation to work out. Indeed one would need plenty of time on his hands, heroic patience and considerable sophisticated know-how to get the simple interest equivalent for the rate on a 36-month loan on an automobile loan. Furthermore, I am advised that the table is not absolutely correct, if you go beyond four payments.

I understand that there are four leading methods for computing the amount of interest payable.

First there is the "add-on plan", where simple interest for the full term is added to the note or contract. For example, a 5 per cent "add-on" on a $100 loan for one year would have a charge of $5 and for two years, $10. However, it is generally agreed that the rate of 5 per cent does not represent the actual interest rate cost of the money borrowed.

Then there is the "discount plan", where the charge is discount, not interest, for the full term and is deducted from the amount originally advanced. For example, if a note were signed for $100, due one year hence, the interest at 5 per cent would be $5. This would be deducted and the borrower would receive $95. Clearly a 5 per cent discount is slightly greater than 5 per cent interest. If we divide 5 by 95, we find that the actual interest rate is 5.26 per cent. In other words, a 5 per cent discount is equivalent to a 5.26 per cent interest rate on an ordinary one-year commercial loan.

Then there is the "constant-ratio plan", where the charge for one year is first computed and then that same ratio is used to get the charge for any loan. In order to come up with the correct rate of interest a very complicated formula must be used, and I will not even attempt to explain it since I doubt that I could. However, with the permission of honourable senators, I would like to place in the *Debates of the Senate* a table entitled "5 per cent Discount Constant Ratio Plan". This is a table of rates actually earned on declining balances.

Hon. Senators: Agreed.

Hon. Mr. Brunt: Honourable senators will note that the rate varies from a low of 8.53 per cent to a maximum of 9.72 per cent.

5 PER CENT DISCOUNT "CONSTANT RATIO" PLAN

Table of rates actually earned on declining balances

Term of Loan	Annual Rate
1 mo.	9.72%
3 mos.	9.69%
6 mos.	9.65%
12 mos.	9.58%
18 mos.	9.50%
24 mos.	9.43%
30 mos.	9.37%
36 mos.	9.30%
48 mos.	9.17%
60 mos.	9.05%
120 mos.	8.53%

There is also a plan known as "Interest on Declining Balances", where each payment is applied first to the interest, and the remainder to principal, the same as in long-term mortgages.

If honourable senators will again give me permission, I will place on *Hansard*, purely for purposes of comparison, a combined chart of the actual rates which result when the four different plans are used, each plan being based on the use of the 5 per cent rate or $5 charge in some form.

Hon. Senators: Agreed.

A COMBINED CHART OF ACTUAL RATES WHICH RESULT WHEN THE FOUR DIFFERENT PLANS ARE USED BASED ON 5 PER CENT OR $5.00 CHARGE IN SOME FORM

	(I) 5% add on	(II) 5% Discount per year	(III) 5% Discount Constant ratio	(IV) 5% on Unpaid Balance
1 mo.	5.00%	5.02%	9.72%	5.00%
3 mos.	7.48%	7.58%	9.69%	5.00%
6 mos.	8.52%	8.74%	9.65%	5.00%
12 mos.	9.10%	9.58%	9.58%	5.00%
18 mos.	9.27%	10.01%	9.50%	5.00%
24 mos.	9.32%	10.33%	9.43%	5.00%
30 mos.	9.33%	10.61%	9.37%	5.00%
36 mos.	9.31%	10.88%	9.30%	5.00%
48 mos.	9.24%	11.40%	9.17%	5.00%
60 mos.	9.15%	11.96%	9.05%	5.00%
120 mos.	8.69%	15.86%	8.53%	5.00%

Hon. Mr. Brunt: Finally, the whole matter of interest is complicated by the problem of the odd payment. When an odd payment is thrown in it disrupts everything.

I feel sure honourable senators will realize by this time that it is practically impossible to comply with paragraph C of Clause 3 of the bill. Frankly, I have grave doubts that any small merchant anywhere in Canada can sit down with pencil and paper and make this calculation. If the honourable senator from Toronto-Spadina (Hon. Mr. Croll) would incorporate in his bill a simple formula for calculating the true rate of interest, one that the average person could work out without the use of a calculating machine, then I would be willing to consider his bill in a more favourable light.

Now to deal with clause 5 of the bill. You will note that in this clause the honourable senator has shifted to the Governor in Council three things: first, the form and manner in which the written statement referred to in clause 3 is to be made; secondly, the manner of calculating the total amount of the finance charges to be borne, and the manner of calculating the simple interest thereon in respect of any transaction or type of transaction; and, thirdly, the degree of accuracy within which the total amount of finance charges and the annual interest thereon shall be calculated.

I am sure the honourable senator from Toronto-Spadina realizes that before he can get his bill before the Governor in Council he must find a sponsoring minister. After all, this is a private bill he is sponsoring, and if it passes here he will have to find a sponsor for it in the other place. Should it pass there and then receive royal assent, it would be necessary for him to find a minister to sponsor the act and bring it before the Governor in Council. Honourable senators, do you think that any minister would want to bring this measure before the Governor in Council when it contains a provision such as clause 5, which could only lead to trouble?

Hon. Mr. Macdonald (Brantford): Do you mean a minister of the present Government or the next Government?

Hon. Mr. Brunt: I said "any minister"; I will make it all-inclusive.

Hon. Mr. Roebuck: We will have a minister for you.

Hon. Mr. Brunt: A rather extensive search failed to find another private bill with a clause such as clause 5 in this bill.

I am quite sure that no minister wants to take the responsibility of proposing regulations to carry out paragraphs (b) and (c) of clause 5. In my opinion clause 5 should be stricken from the bill, and the honourable senator from Toronto-Spadina should insert sufficient additional clauses in it to carry out those things which he now proposes the Governor in Council should do by regulation.

I am sure all senators will agree with me when I say that this is a pet or favourite bill of the honourable senator, and that he thinks it is a great bill. He is thoroughly convinced that his bill is a right and proper one. Therefore, I say to him, if it is a proper bill he should complete it and should not ask

the Governor in Council to do certain things which he has failed to do in its composition and preparation.

Honourable senators, I have spoken much too long, and have taken up too much of your time.

Hon. Mr. Macdonald (Brantford): No.

Hon. Mr. Brunt: If this bill receives second reading I hope that it will be referred to the Standing Committee on Banking and Commerce so that we will have an opportunity to hear representations from the many persons and organizations who have sent letters and briefs to honourable senators in its support. I am very anxious to learn from them just how they propose to overcome some of the difficulties I have outlined.

On motion of Hon. Mr. Croll, debate adjourned.

DIVORCE

BILLS—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-158, for the relief of Guy Bertrand.

Bill SD-159, for the relief of Sylvia Bertha Spires.

Bill SD-160, for the relief of Geraldine Ludgarde Romer.

Bill SD-161, for the relief of Sylvia Socaransky.

Bill SD-162, for the relief of Elizabeth Peck.

Bill SD-163, for the relief of Dorothy Gladys Faucher.

Bill SD-164, for the relief of Jean Alice Rinder.

Bill SD-165, for the relief of Maria Lenkei, otherwise known as Maria Leichtag.

Bill SD-166, for the relief of Ines Barbara Levy.

Bill SD-167, for the relief of Donat Theriault.

Bill SD-168, for the relief of Elizabeth Helen Brown.

Bill SD-169, for the relief of Stasys Vysniauskas.

Bill SD-170, for the relief of Joan Jeanette Krautle.

Bill SD-171, for the relief of Thelma Freeman.

Bill SD-172, for the relief of Rose Coletta.

Bill SD-173, for the relief of Dora Elfriede Elizabeth Christian Kovacs, otherwise known as Dora Elfriede Elizabeth Christian Kovac.

Bill SD-174, for the relief of Wilma Gloria Bryson.

Bill SD-175, for the relief of Donald Edgar Hicks.

Bill SD-176, for the relief of Ruth Moss.

Bill SD-177, for the relief of Marie-Louise Guay.

Bill SD-178, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-179, for the relief of Marie Raymonde Violetta Dalpe.

Bill SD-180, for the relief of Elizabeth Gray.

Bill SD-181, for the relief of Helene Denise Vien.

Bill SD-182, for the relief of Anna Elizabeth Strickland.

Bill SD-183, for the relief of Evelyn Frances Rae.

Bill SD-184, for the relief of Vivian Marjery Cohen.

Bill SD-185, for the relief of Catherine Gerasimos Andrulakis.

Bill SD-186, for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

Bill SD-187, for the relief of Kathleen Ryan.

Bill SD-188, for the relief of Verena Elsener.

Bill SD-189, for the relief of Doris Sibyl Jane Hassall.

Motion agreed to and bills read second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until Tuesday, April 3, at 8 p.m.

THE SENATE

Tuesday, April 3, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

JUDGES ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-84, to amend the Judges Act.

Bill read first time.

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of the Royal Canadian Mounted Police for the year ended March 31, 1961. (English text).

Report of the Department of Defence Production for the year ended December 31, 1961, pursuant to section 34 of the Defence Production Act, chapter 62, R.S.C. 1952. (English and French texts).

Report of Polymer Corporation Limited, including its Accounts and Financial Statement certified by the Auditor General, for the year ended December 31, 1961, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English and French texts).

Report of the National Energy Board for the year ended December 31, 1961, pursuant to section 91 of the National Energy Board Act, chapter 46 of the Statutes of Canada 1959. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II, of Wednesday, March 28, 1962, as well as an extra of the *Canada Gazette*, Part II, dated Friday, March 30, 1962, containing the Civil Service Regulations, pursuant to section 7 of the Regulations Act, chapter 225, R.S.C. 1952. (English and French texts).

Capital Budget of the Canadian Overseas Telecommunication Corporation for the fiscal year ending March 31, 1963, pursuant to section 80(2) of the Financial Administration Act, chapter 116, R.S.C. 1952, together with copy of Order in Council P.C. 1962-416, dated March 27, 1962, approving same. (English text).

Report of the National Harbours Board, including its Accounts and Financial Statements certified by the Auditor General, for the year ended December 31, 1961, pursuant to section 32 of the National Harbours Board Act, chapter 187, and sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English text).

DIVORCE

PETITION No. 614

Hon. Arthur W. Roebuck: Honourable senators, I now present the 614th petition to come before the Standing Committee on Divorce.

The Hon. the Speaker: Will there be any more?

Hon. Mr. Roebuck: I do not know. If there are more to come like this one I shall not be perturbed. This petition is presented only for the purpose of being dismissed for lack of prosecution, and will appear in the reports I shall present shortly.

REPORTS OF COMMITTEE

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 199 to 240, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

THE LATE SENATOR WILSON

INQUIRY AS TO INSCRIPTION ON MARBLE STATUE

Hon. Mariana B. Jodoin inquired of the Government, pursuant to notice:

> Is it the intention to affix an appropriate inscription on the marble statue of our late colleague, the Honourable Senator Cairine Wilson, who was the first woman in Canada to be summoned to the Senate, the said statue being in the Senate antechamber?

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I would like to answer the inquiry of the Honourable Senator Jodoin, notice of which appears on the Order Paper for Wednesday, April 4, 1962.

Early last week the Prime Minister suggested that a plate bearing a suitable inscription in English and French be affixed to the marble block on which the bust of the late

senator, the Honourable Cairine Reay Wilson, rests in the antechamber of the Senate. Subsequently, the Prime Minister approved a draft of the wording for the inscription. The inscribed plate has been completed and affixed in accordance with the suggestion of the Prime Minister.

(Translation):

Hon. Mariana B. Jodoin: Honourable senators, may I thank the honourable Leader of the Government (Hon. Mr. Aseltine) for having complied so readily with my request in placing an inscription on the plaque commemorating our lamented colleague, Hon. Cairine Wilson. Thank you very much.

(Text):

Thank you very much.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-158, for the relief of Guy Bertrand.

Bill SD-159, for the relief of Sylvia Bertha Spires.

Bill SD-160, for the relief of Geraldine Ludgarde Romer.

Bill SD-161, for the relief of Sylvia Socaransky.

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Bill SD-175, for the relief of Donald Edgar Hicks.

Bill SD-176, for the relief of Ruth Moss.

Bill SD-177, for the relief of Marie-Louise Guay.

Bill SD-178, for the relief of Marie Marguerite Nicole Fraser.

Bill SD-179, for the relief of Marie Raymonde Violetta Dalpe.

Bill SD-180, for the relief of Elizabeth Gray.

Bill SD-181, for the relief of Helene Denise Vien.

Bill SD-182, for the relief of Anna Elizabeth Strickland.

Bill SD-183, for the relief of Evelyn Frances Rae.

Bill SD-184, for the relief of Vivian Marjery Cohen.

Bill SD-185, for the relief of Catherine Gerasimos Andrulakis.

Bill SD-186, for the relief of Toni Anna Lydia Weiss, otherwise known as Toni Anna Lydia Weisz.

Bill SD-187, for the relief of Kathleen Ryan.

Bill SD-188, for the relief of Verena Elsener.

Bill SD-189, for the relief of Doris Sibyl Jane Hassall.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING

The Senate resumed from Thursday, March 29, the adjourned debate on the motion of Hon. Mr. Croll, for the second reading of Bill S-2, to make provision for the disclosure of information in respect of finance charges.

Hon. David A. Croll: Honourable senators, first I wish to thank those who participated in this debate for the contribution they have made to the understanding of the problem involved in the bill. I think it has been by far the best debate we have had this session on a private member's bill. I listened to what the other speakers had to say, and now it is your turn to listen to me—I have considerable territory to cover.

In order to give a clear understanding of what is involved, I would first like to put on the record, Question No. 286, which was asked by Mr. Matheson in the other place, and the answer by Mr. Fleming, as appears in the *House of Commons Debates* of March 19 last. I ask permission of the Senate to place this on our *Hansard.*

Hon. Mr. Brunt: Agreed.

Hon. Mr. Croll: The question and its answer are as follows:

CONSUMER INDEBTEDNESS

Question No. 286—**Mr. Matheson:**

As of the last available date, what is: (a) the total consumer indebtedness of Canadians (b) the comparable figure in each of the last ten years (c) the annual rate change in consumer debt?

Answer by: **Mr. Fleming (Eglinton):**

(a) As of December 31, 1961, finance company and retail dealer credit extended to consumers totalled $2,349 million. Chartered bank unsecured personal loans totalled $1,030 million. The total of these items was $3,379 million.

(b) Comparable figures in each of the last ten years are as follows (in $ million):

Year ending December 31	Finance co. and retail dealer credit extended to consumers	Chartered bank unsecured personal loans*	Total of these items
1952	1,073	242	1,315
1953	1,316	308	1,624
1954	1,392	352	1,744
1955	1,629	441	2,070
1956	1,910	435	2,345
1957	1,968	421	2,388
1958	2,030	553	2,583
1958	2,205	719	2,924
1960	2,337	857	3,194
1961	2,349	1,030	3,379

*Source: Bank of Canada.

(c) The annual rate of change in the totals of the above items was 10.5 per cent.

I had hoped to avoid on this occasion the necessity of speaking on the constitutionality of the present bill. However, some remarks made by honourable senators suggest that I should deal with this question once more. I hope that I will be able to deal with this aspect of the problem with reasonable brevity.

In particular, one honourable senator professed to see no element of constitutionality therein which would give the federal Parliament some jurisdiction since there is no longer a question of criminal law left in the bill. To say that there is no peg in the British North America Act for this bill is not to have read the bill or the B.N.A. Act. It is true that the clause which would have made noncompliance with the provisions of the bill an offence punishable on summary conviction has not been included in the new bill. It is equally true that a number of honourable senators on previous occasions expressed the view that criminal consequences should not flow from noncompliance. The consequences which flow from the present bill are therefore civil in nature, in that credit financiers who do not comply will be unable to collect or retain any finance charges. The summary convictions clause has been left out of the present bill in deference to the honourable senators who felt that the penalty was too stringent. In any event, though I did not argue this point and I do not agree to it now, the honourable senator from Toronto (Hon. Mr. Hayden) last year indicated unmistakably that at least in his view the bill was not sustainable under the heading of criminal law.

On the other hand, as I have stated before, the present bill is clearly constitutional as being in pith and substance legislation relating to interest. This being so, it is unnecessary to invoke any other constitutional basis for the validity of the proposed legislation.

In dealing with interest I propose to consider first the actual words of the British North America Act, 1867, including, if I may use the expression, the fine print thereof, and then the legal opinions already given, as well as the existing case law on the subject.

I would remind honourable senators that the introductory words of section 91 of the British North America Act, 1867, together with head 19 thereof, make it abundantly clear, and here I quote:

> ...the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say—
>
> 19. Interest

I call attention at once to the fact that the legislative authority of Parliament in relation

to "interest" is exclusive, and that it extends to all matters in relation to interest. The honourable senator from Toronto (Hon. Mr. Hayden) appeared to suggest that "interest" was synonymous with "regulation of interest." Of course, that is clearly not the case. Not only does the British North America Act not employ the phrase "regulation of interest", but it specifically provides that Parliament may legislate with respect to all matters relating to interest. If, therefore, this legislation is in relation to "interest" it is valid whether it deals with regulation, disclosure or otherwise.

Then you ask, does this legislation, in pith and substance, relate to "interest"? If so, it must be subtracted, so to speak, from Property and Civil Rights in the Province, which by head 13 of section 92 of the British North America Act is assigned exclusively to the provincial legislatures. The honourable senator from Toronto has suggested more than once that since this legislation deals with contracts, it is properly within the exclusive competence of the provincial legislatures. However, it has been held many times that "interest" includes "contractual interest". Viscount Caldecote, in Lethbridge Northern Irrigation (1940) A.C. 513, with reference to "interest", remarked:

> It is sufficient to say that in its ordinary connotation it covers contractual interest, and contractual interest is a subject of the act now in question.

In that case the judicial committee held invalid a provincial statute seeking to cut in half the interest on certain provincial government debentures. Lord Caldecote went on to say:

> Their Lordships have considered the Act with a view to ascertaining its "true nature and character" or "its pith and substance". It relates in substance not to borrowing but to payment of interest.

Still another leading case, the language of which is clearly applicable to the present bill, is *Attorney General of Saskatchewan v. Attorney General of Canada* (1949), A.C. 110. In that case the judicial committee considered, *inter alia*, the validity of a Saskatchewan act providing in the event of a crop failure for the reduction of the principal amount upon which interest was to be payable. It was held that this was in pith and substance legislation in relation to interest and thus not properly legislation in respect either of "agriculture within the province" or "property and civil rights". In the judgment, Viscount Simon said:

> To provide that principal is to be reduced by statute but that the amount to be paid as interest is to remain unaltered is necessarily to increase the rate on the principal outstanding.

He added:

> The Dominion power would likewise be invaded if the provincial enactment was directed to postponing the contractual date for the payment of interest without altering the rate, for this would equally be legislating in respect of interest.

There is yet another case which is germane to the present question. It is the case of *Cummings v. Silverwood* (1918) 11 S.L.R., 407. In that case the plaintiff advanced to the defendant on April 29, 1914 a sum of $10,000. The defendant agreed in consideration thereof to pay to the plaintiff two months later the sum of $12,000, or three months later the sum of $13,000, on the security of real estate. It was held that the surplus was interest. Mr. Justice Macdonald said:

> Interest is defined as money paid for the use of money at a fixed rate. Plaintiff contends there is no fixed rate, but in so doing he is clearly mistaken and apparently confounds "fixed rate" with a stated rate percentum per annum, which is quite a different thing.

I cite these cases to honourable senators in support of the argument that I made much earlier when I first presented the bill here. I said then that in my view it was constitutional. However, there are other views which should reasonably be taken into consideration. I should point out now that the courts have taken a broad and not a narrow view of interest, and have had no difficulty in determining that any charge for the use of money, including credit, however veiled or disguised that charge may be, is in the nature of interest, and thus within federal rather than provincial jurisdiction.

As honourable senators know, the Small Loans Act is based on the total cost of the loan. It would be well to remember those words. The monthly rate on a loan up to $1,500 is thus regulated. The expression "total cost of the credit" in the present bill is indistinguishable. As I reminded honourable senators on an earlier occasion, Mr. F. P. Varcoe, Q.C., a former Deputy Minister of Justice, assured Parliament on many occasions that the Small Loans Act is constitutionally valid as being in pith and substance related to interest.

Honourable senators, the honourable senator from Fredericton (Hon. Mrs. Fergusson) has already quoted Mr. Varcoe's exact words when he was testifying before the House of Commons Standing Committee on Banking

and Commerce on July 19, 1956. This appears at page 682 of the printed proceedings of that committee. The words bear re-reading now. I shall read them very slowly so that honourable senators will appreciate the full effect of his words. This was his opinion:

> In 1939 the device was resorted to of fixing the over-all cost of a loan. The idea behind that was, first of all, that everything that is paid to the lender by the borrower, apart, of course, from the principal, is interest. What the lender does with that, and how he disposes of it, does not make the sum which he receives any the less interest. Now interest is, as you know, the return made to the lender for accepting the risk of the loan and for compensating him for the use of the money lent. That was the first basis we had in mind when we prepared this legislation in 1939—everything which the borrower pays is interest, no matter how the lender may break it down, and suggest that it is for this and that, chattel mortgage charges, and so on. In case that did not cover the whole field of these charges we said, secondly, that when you fix the cost of the loan, accepting the view that there might be some items in there which are not interest, then you are nevertheless regulating the interest because you fix the maximum of 12 per cent, or whatever it is, and if any part of that is something other than interest you are nevertheless regulating interest by reference to that.

Honourable senators, you will note that Mr. Varcoe closed the front door and the back door on those people who were dealing in small loans. As yet, no one has attacked that act as being unconstitutional, although there were threats to do so at the time it was passed.

I repeat, the present bill in pith and substance relates to interest and therefore falls within the legislative jurisdiction of Parliament. Moreover, because of the provisions relating to the retention and recovery of finance charges, the bill may be said to regulate interest. Even if it does not regulate interest, it still relates to the subject of interest. As I said earlier, federal jurisdiction extends to all matters relating to interest and not merely to the regulation thereof. The disclosure of finance charges surely must come within the description of a matter relating to interest.

This house is peculiarly sensitive about matters relating to constitutionality. That probably arises from the history of the house, in that its original purpose was to protect provincial rights and the rights of minorities. Furthermore, the house has a sense of direction and of responsibility.

The days of the great constitutional questions are past; the days of the great constitutional practitioners have gone. Some of us remember the names of Ewart, Lafleur, Geoffrion, Tilley, Rowell and W. F. O'Connor, a former Law Clerk and Parliamentary Counsel of the Senate.

They are gone from the scene now. I would associate with them two great attorneys general, one in the province of Ontario and the other in the province of British Columbia, who made great contributions in their day in that office. They are, my deskmate the Honourable Mr. Roebuck, and the Honourable Mr. Farris. This house is honoured and pleased to have them here.

So far as I know, there are two great authorities in this country on constitutional matters who are outside the practising legal profession. They are, Mr. Frank Scott at McGill University and Mr. Bora Laskin at the University of Toronto. They are probably our best authorities; but the great names asociated with important constitutional issues are entombed in the case books.

The last vital challenge which we had of constitutional consequence was that made by the Social Credit government some years ago. There has been very little since the second world war. It would be foolish for me to ask Parliament to enact a bill that is clearly unconstitutional.

Honourable senators, let me say that although there are not very many constitutional lawyers in Canada, the best are right here in Ottawa. They can be found in the Department of Justice, in the Department of External Affairs, on the staff of the House of Commons, and on our own staff. They are good constitutional lawyers because they live with the problem every day. They are specialists. They have become experts, and are so recognized.

I want this house to know that there is within this bill four built-in safeguards for the protection of every honourable senator on the question of constitutionality. I will take a minute to elaborate.

I do not stand before you as a constitutional lawyer asking you to take my word. I shall give the best opinions I can. The first opinion I gave was that of Mr. Varcoe, a former Deputy Minister of Justice. I read to you his opinion with respect to the Small Loans Act, and in doing so I indicated that the definition of "total cost of loan" in that act, and the definition of "total cost of credit" in the bill now before this house, are indistinguishable.

Honourable senators, you have the opinion of our Law Clerk and Parliamentary Counsel that this bill is constitutional. We should

not belittle our own counsel and disregard his views. I think it would be well for me to remind all honourable senators that Mr. Hopkins is a graduate of the University of Saskatchewan, the University of Toronto, Harvard University and Oxford University, that he is a Rhodes Scholar, and was Professor of Law at the University of Toronto. He is a man of considerable attainments, and is our counsel here because he is competent. You have his views as to the constitutionality of this bill. It is in the affirmative.

Let me assume, honourable senators, that the bill passes this house in its present form. It will then go to the House of Commons where it must pass two tests. First of all, there must be a certificate that it in no way contravenes the Bill of Rights. There is no difficulty about that. The next step that must inevitably be taken is that of asking the Department of Justice to deliver an opinion as to whether the bill is constitutional or unconstitutional. If that department says that the bill is unconstitutional, then for all purposes the bill in its present form has had it. If that department says that the bill is constitutional, then the House of Commons will go on to a consideration of it. But, certainly, the question will be asked—you can rest assured of that. If that house finds the bill unconstitutional, it may amend it in that respect and send it back to us. In any event, the Department of Justice must give its opinion before the bill is dealt with in the other place.

If the bill passes this Parliament and someone still does not like it, he can challenge it in the courts to his heart's content. What more can anyone want with respect to the question of constitutionality?

Honourable senators, let me say that the purpose and intent of this bill, despite the fact that one honourable senator has referred to it as my pet—

Hon. Mr. Brunt: Isn't it?

Hon. Mr. Croll: That honourable senator also said that I thought it was a great bill. Truer words were never spoken. The idea behind the bill is not even original. Other people with more understanding and more competence than I have given this problem a great deal of thought at the federal level.

Honourable senators, Mr. David Kirk, the Secretary of the Canadian Federation of Agriculture, has directed my attention to some books which have been gathering dust on my shelves for some time. He directed me specifically to the report of the Royal Commission on Canada's Economic Prospects—better known to us as the Gordon Commission—and more particularly to the volume entitled "Financing of Economic Activity in Canada". This volume was published in 1958. I would like to read some of the observations and conclusions. This will take me a minute or so, but I must be sure that the record is complete. At page 196 of the volume I have identified, the commissioners in discussing consumer instalment credit, had this to say:

> We are however concerned with one aspect of this matter. This is the burden imposed on the economy by the consumer's ignorance of the costs of the money he borrows. We have contended in this chapter that such ignorance is very widespread. We have also contended that one of the reasons finance companies did not respond to the pressures of tight money was because they could, to some degree at least, pass higher interest costs on to the consumer in the form of higher charges. This was done in very large measure by lengthening the terms of the loans as charges were raised so that the increase in monthly payments could be kept to modest proportions.

Then, in the part of the volume entitled "conclusion" at page 433 there are these words:

> We considered not only the sensitivity of consumers as investors to the relative yields of financial assets but also their sensitivity as borrowers to the costs of funds. We concluded that ignorance of the costs of funds is very widespread among consumer-borrowers. We contend that if consumers wish and are able to pay high costs of borrowed money in full knowledge of these costs, it is a proper function of the capital market to supply them. We contend equally however, that if consumers are unaware of the costs of the funds they borrow, there is a presumption that to some extent (what extent cannot be stated) funds and resources are misallocated. Suppliers of funds to consumers do not usually state the costs of the funds clearly. Indeed, consumers could not know these costs in most cases without making elaborate calculations that are beyond the abilities of persons not trained in mathematics of finance. In many instances, other terms of the loan contract apart from the cost of funds, such as the monthly servicing charge, and the proportion of the amount borrowed to the price of the real asset being purchased, are given overriding consideration. In fact the possibilities of hiding increases in costs by extending amortization periods for example, make it easier for consumer finance companies to maintain or increase the volume of their loans

outstanding even when they have to pay more for the funds they borrow.

I shall now read one of the recommendations which appears at page 439. The commission here is talking about efforts that may be made to remedy the imperfections. Mark these words:

> The insensitivity of consumer-borrowers to the costs of funds may be impossible to overcome, but as we suggested in Chapter 5, we should at least take steps to ensure that individuals are informed of the rates of interest they are required to pay and informed in such a way that they may easily, without using slide rules, compare the rate charged at one source with the rate charged at others. If the suppliers of the funds themselves continue to display an unwillingness to advertise their charges clearly and effectively, it may be necessary to exercise Parliament's jurisdiction over matters pertaining to rates of interest and pass legislation requiring uniform, clear announcement of the rates of interest charged on loans to consumers, in terms of some common formula.

There it is in the Gordon Commission report. This portion of the report was written on July 30, 1958 by Professor William Hood of the University of Toronto, who is now with the Porter Royal Commission on Banking and Finance. Many of us have lost sight of the fact that the Gordon Commission was thinking about this subject.

Among the arguments presented here was the overriding suggestion that it is not enough to do good, one must do it the right way. What is the right way? Where are the constructive ideas that are better than the ideas I have been able to present? Let us go further and see who is on my side in addition to the Gordon Royal Commission. I have a considerable list of people who have been thinking about this subject. I refer first to a cutting from the Ottawa *Citizen* datelined Washington, March 16.

> President Kennedy has sent Congress a large package of proposals to protect the consumer.

See if you can recognize some of these steps he urged so as to assure the following:

> Safe, effective drugs for the ailing.
>
> Beauty aids that won't burn a lady's skin.
>
> TV sets that will get more channels.
>
> Wider inspection to bar unwholesome meat from dinner tables.

Here is an old friend you will recognize.

> Instalment contracts that reveal the true rate of interest.

I want next to read from the *U.S. News & World Report*, March 26, 1962:

> Mr. Kennedy urged legislation to provide what he termed "truth in lending". Lenders would be required to tell borrowers, before they sign on the dotted line, the actual rate of interest they would pay for credit. This would apply to all types of credit, including instalment buying.
>
> The President said that, in one study, some purchasers of used cars were found to be paying "interest charges averaging 25 per cent a year."

Then, from a recent edition of *Time* magazine:

> "Consumers", said Kennedy with sincere obviousness, "include us all." Their voices are not always as "loudly heard in Washington as the voices of smaller and better-organized groups ... We share an obligation to protect the common interest in every decision we make."

Do we not have to ask ourselves the question: Would the President send this request on to Congress if he thought it was an impossible conundrum, if he thought it was not workable? As legislators, do we not realize that this matter was studied by the President's closest advisers, that it was gone over very carefully, that in the final analysis he came to the conclusion that this was necessary in the interest of consumers? Would he send this sort of a proposal to Congress if it did not have some basis in fact? Would he advocate these new policies if he did not think they were important?

Honourable senators, all this means is that in our industrial society the principle of *caveat emptor*—let the buyer beware—is no longer applicable. He proposes to safeguard the consumer and to help him purchase wisely. That is the purpose of the communication he sent to Congress. Perhaps we are a little far afield, but I thought if I could put President Kennedy in my corner on this bill it would not do the bill any harm.

Let us take a look at our own country. The general purpose of this bill has been before the Canadian public for a period of three years, and I have yet to read a press editorial opposing it. In fact, the press of this country has hailed this legislation as necessary. I direct you to some rather welcome support, some of it of recent date. I am not going to quote from the *Daily Worker*. I am not even going to quote from its illegitimate half-brother, the *Tribune*, but I shall

quote from the *Financial Post*, the apostle of financial orthodox. The *Post* has this to say:

> Loan sharks who operate on the fringes of the lending business in this country find in second and third mortgages extraordinarily fertile ground for gouging the unwary and bleeding the naive.
>
> But this is precisely the area of lending excluded from the only constructive plan for getting lenders to disclose the real or "effective" interest rate that they charge on loans—this year's version of Senator Croll's perennial private bill.

The writer is angry with me because I left out the mortgage companies, banks and some of the other agencies from the present bill. Perhaps I should not have diluted my latest bill as much as I did. The writer goes on to say:

> Some Canadian lending firms have shot into prominence and prosperity by making second mortgage money available at 12-14 per cent. The reason: Although this is twice the going rate for first mortgage money, it is still substantially below the 18-20 per cent that is frequently charged.
>
> By the time the discounts, service charges, special fees and other items are totalled up, it's not much wonder that some lenders say they can't tell the borrower, to the last decimal point, what the effective interest rate is.
>
> But we suspect also that fewer of the shark-type deals would be entered into if the lender had to say "we're charging you a rate about 18-20 per cent per annum for this money."
>
> That would at least make it clear that 7-8 per cent nominal rate on the mortgage is only a plain cover for a lurid tale, in fine print, inside.

And here are the words I particularly call to your attention:

> Past experience suggests, lamentably, that the Croll bill may founder again on the rocks of senatorial indifference, partisan politics and special interests. But it would be very much to the benefit of all Canadians if the government were to take up the Croll idea, expand it to include regulation of mortgage lending and rap the knuckles of a business which, on the fringes at least, thrives on widespread public ignorance and its own greed.

Hon. Mr. Reid: That statement about the indifference of the Senate is untrue.

Hon. Mr. Croll: As a matter of fact, as to that reference I say in my notes, "I don't believe it". However, at this point I am just quoting the words of the writer.

The *Financial Post* is by far the best financial paper in Canada, and is comparable to the American *Wall Street Journal*; it is recognized as the voice of big business. It certainly can be assumed that this bill is not a socialist plot to undermine private enterprise. The *Financial Post* is to be commended for its courage in running counter to the views of many of its subscribers. Yet it predicts failure, saying that the measure is likely to founder again on the rocks of senatorial indifference, partisan politics and special interests. What the public will be asking is this: Is there truth in the charge that the Senate is more concerned with the protection of special interests than it is in the public good? I am one of those who does not believe it.

Hon. Mr. Aseltine: I am happy to hear that.

Hon. Mr. Croll: Let me put it bluntly. The question may be asked, is there a conflict of interests? I assure you that I too am perplexed that in a measure of this kind, a simple measure, really, with no hidden gimmicks, so much of so little substance could be said against it. This is a sort of bill that transcends political considerations, and it should transcend any conflict of interest. This bill contains no half tones. It is a black and white sort of bill which says plainly what it is hoped to achieve and why. I think it represents a challenge to the Senate, inasmuch as the voice of Bay Street and of St. James Street, in the *Financial Post* had this to say:

> Past experience suggests, lamentably, that the Croll bill may founder again on the rocks of senatorial indifference, partisan politics and special interests—

after saying in the same breath that it should pass. I have said that I do not believe that statement. Nevertheless, this is said by somebody of importance and consequence. It is well that it is denied here on the floor, and in effect it can be proved here to be wrong.

Hon. Mr. Choquette: Do you believe that anybody who would vote against the bill would have such interests in mind as mentioned in that newspaper? Supposing somebody just believes that the bill will not help the consumer at all. If that is his only reason for opposing it, surely we are not going to be—

Hon. Mr. Croll: If somebody thinks it does not help the consumer he can vote against it. I think it does help the consumer and so does the writer in this publication. I am putting forward these views. As long as

one votes according to his conscience, I cannot complain or quarrel with him at all.

Hon. Mr. Aseltine: I do not think you should quote those excerpts that you do not believe yourself.

Hon. Mr. Croll: But don't you appreciate that people read this paper?

Hon. Mr. Beaubien (Bedford): That is why you are speaking.

Hon. Mr. Croll: This paper speaks with some authority, and you just cannot ignore it. In the circumstances, the best answer one can give is to show that it is wrong, if it is wrong.

Hon. Mr. Bouffard: The only way to show the publishers that they are wrong is to vote for the bill—is that what you mean?

Hon. Mr. Croll: I did not say that, but it is a first-class way of showing it.

Hon. Mr. Bouffard: But it would not be a conscientious vote on the part of any senator if he did not believe in it.

Hon. Mr. Croll: I answer my friend by saying that if he does not in conscience believe in it, I have no complaint. However, the publishers of this article do not themselves think much of the Senate's conscience.

Hon. Mr. Horner: Who wrote the article?

Hon. Mr. Croll: There appeared in the Toronto *Star* for March 23 last another report from which I should like to read.

> Interest rates are being "either hidden or stated in a misleading fashion" in many contracts signed by Canadians, the Saskatchewan government said today.
>
> It asked the Porter Royal Commission on Banking and Finance to recommend to the federal government that financial institutions be required to disclose fully and clearly the effective rate of interest being charged on various kinds of personal loans.

I still have a few more witnesses here. The Canadian *Register*, which will not be unfamiliar to members of the Senate, on March 3 of this year, in an editorial entitled "Those Hidden Charges," had this to say:

> Reasonably enough, the purchaser was expected to pay extra for this extension of service, at least enough to cover the risk of loss involved; on the other hand, he was usually offered a discount for paying cash.
>
> Now all this has been changed. Credit financing has become a well-organized business in itself, and all the loopholes have been plugged, so that the possibility of loss to the seller has been almost entirely eliminated. This new measure of security, coupled with additional revenue from accumulated interest, has conditioned business firms to prefer selling on credit rather than accepting cash payments. In fact, some refuse to accept cash in full at the time of purchase, which indicates that the firm in question is receiving more money through the transaction than the original sale price of the article and normally accrued interest. This the purchaser is paying in addition to the charges levied by the finance company.
>
> This would be bad enough if the purchaser knew exactly what he was undertaking when he makes a purchase on credit. But in many instances he is not given a complete picture of the additional charges that will be added to the sale price of the commodity, through the financing operation.
>
> At the time of writing a bill is before the Senate of Canada which if passed would compel all credit financiers to make the complete cost of such a business operation known in writing to the person receiving credit. By the time this appears in print, the bill may have become law, or it may have been rejected.
>
> Whatever its fate, discussion of the problem should alert the unfortunate victims of credit financing to some of the liabilities they are incurring in such transactions. Whether or not credit financiers are required by civil law to reveal the full implications of the proposition they offer the purchaser, the people concerned should be sufficiently alert to demand such accurate information before doing business with them, otherwise they deserve to suffer the consequences. And probably the shock of the full cost involved in credit transactions might prevent some people from buying on credit.

I also have before me an editorial from the March 1962 issue of *Canadian Churchman*. I think it speaks for the Anglican Church of Canada. The editorial bears the caption, "Support the Senator". I would have preferred it to say, "Support the Senate". However, this is a church organ of much consequence, and I will read the editorial somewhat extensively:

> A private bill introduced in the Senate of Canada for the second year in a row by Senator David Croll is deserving of every type of support the Christian churches of Canada can bring to bear.
>
> The bill deals with the misuse of consumer credit through the sharp practices of unscrupulous money-lenders. The

legislation would require persons extending consumer credit to reveal in writing exactly how much the credit will cost in any particular transaction. It will not apply to cash loans or mortgages on real estate.

The Senator claims this legislation is necessary to protect the unsuspecting purchaser. Many people among the general public who have learned the facts of consumer credit the hard way will undoubtedly agree. Not every individual who must purchase on credit has either the time or the ability to fully understand the maze of complicated figuring with which he is often confronted. Through the work of the pastoral ministry the clergy are aware of the effects of the present uncontrolled situation on family life.

One might think that a bill of this nature, a benefit and protection to so large a section of the general public, would pass very readily in an enlightened parliamentary concern for the public good. Well—think again!

It would seem that the Senator could do with more support from the grass roots. He claims that "—in too many instances the borrower is deceived into paying a higher cost for credit than he has been led to suspect". Is not this the type of social problem which concerns the churches?

Now would be a good time for the social service boards and councils, as well as individual Christians and other concerned peoples to speak out in support of this bill. A few sermons on the subject would not be out of place and if a text is needed, try the following: "He that worketh deceit shall not dwell within my house: he that telleth lies shall not tarry in my sight." (Psalm 101: 7).

Undoubtedly our parliamentarians would be encouraged to hear from their constituents on this matter. It would be a welcome relief from the public apathy which surrounds so much of the nation's business.

This bill is no fit subject for party strife and each individual, inside or outside of the Parliament buildings, should feel free to express himself in support of Senator Croll's action. There is no great debate on opposing economic systems and policies involved here. It is a clear case of protecting the unsuspecting from the unscrupulous who at present can operate within the limits of the law.

If the bill should again be defeated, then we should carefully study the grounds for the defeat so that it might receive an easier passage the next time round.

I have some more editorials which honourable senators gave me but there is not time for me to read them into the record.

Hon. Mr. Roebuck: Go ahead; you are doing all right.

Hon. Mr. Croll: There was a very interesting bit of byplay in the house a few days ago. Some senators have received a booklet from the Federated Council of Sales Finance Companies. The booklet was prepared in order to oppose the Douglas bill in the United States Congress. I presume that some left-over copies were mailed to members of this house in order to get fringe benefits. Reference has been made to the booklet in this debate.

Then, of course, some reference has been made in this debate to the monthly letter of the First National City Bank of New York of March of this year. In it there was an article on the complexities of simple interest calculations, and it indicated that simple interest was not so simple. This was followed up by an article on the financial page of the Toronto Daily *Star*, of March 28, in which it is said:

> Simple interest is far from simple. It's downright complicated and confusing, according to Federated Council of Sales Finance Companies.

That was the first booklet I indicated. Then the article goes on:

> Says the March monthly letter of First National City Bank, New York: "Any prudent borrower can and should inform himself of the exact amount of finance charges. He can make any kind of calculation he wishes of what the simple interest rate might be.
>
> But neither he nor the lender will have the exact answer. Simple interest is too complicated."

I merely call attention to this. I do not want to cast any reflection on the Toronto Daily *Star* because it has given this bill full support from its inception, and also editorial support. That paper has also reported the debates in this house very fairly. I presume the writer was filling the column that day and, not being too friendly to this bill anyway, he got in both those jabs at me.

Hon. Mr. Roebuck: I think you ought to report him.

Hon. Mr. Croll: No. That is not unfair—it is his point of view.

When I returned to Ottawa this morning there was on my desk a copy of a letter addressed to the Financial Editor of the Toronto

Daily *Star* dated March 30 and signed R. G. Stanton, head of the department of mathematics at the University of Waterloo, Waterloo, Ontario. When I read the letter I called the professor, who is a stranger to me, by telephone. I asked him if I could use the letter, telling him that I had not seen it in the newspapers. His reply was, "Yes, you can use the letter because I intended it for the public".

I will say this, honourable senators, I do not know who wrote the article for the Federated Council of Sales Finance Companies, or who wrote the article in the March letter of the First National City Bank of New York, but I now know something of the man who wrote this letter. The information I have on him is from a biographical sketch printed in a book entitled, *American Men of Science,* The Physical Sciences, ninth edition, page 1842. Professor Stanton went from the University of Toronto to the University of Waterloo when that university opened its doors, and he has been head of its department of mathematics ever since. Perhaps the Toronto Daily *Star* may not yet have time to print this letter he wrote, but I shall read it.

March 30th, 1962.

The Financial Editor,
Toronto Daily Star,
80 King Street W.,
Toronto, Ontario.

Dear Sir,

It is perhaps unnecessary to write you, since others have probably already pointed out to you the incorrect picture given on page 14 of the Toronto Star for March 28. The article on simple interest, far from being an impartial survey, merely publicizes incorrect or misleading statements made by the finance companies. In particular, the impression that the mathematical equation given cannot be solved, is absolutely incorrect; it is a matter of the most extreme simplicity to make a table giving the solution for various values of the symbols involved. Any car dealer who is capable of reading a table (such as the present tables giving sales tax) would likewise be capable of reading off the effective interest rate from a table giving effective interest rates.

Whatever may be the merits or demerits of Senator Croll's bill requiring disclosure of effective interest rates, inability to compute these effective interest rates is not a failing of the bill, and any pretense that there is a mathematical difficulty involved has no basis in fact.

Yours very sincerely,
R. G. Stanton,

There is another aspect I wish to talk about for a few moments, and perhaps this is as good a time as any to do so. I refer to the matter raised by the honourable senator from St. John's East (Hon. Mr. Higgins) the other day. He quoted some words which indicated that someone had said there was a lobby against the bill when it was defeated the last time. I was the one who was quoted on it, and quoted correctly. I said at that time that there had been a very heavy lobby against the bill. I looked up the definition of the word "lobby" in the dictionary, and I think it is necessary to give it in order tc have a clear understanding of the term. It is:

> Persons who haunt lobbies for the purpose of accosting or soliciting legislators in order to influence legislation and secure advantages to one's own interest.

In this day and age lobbyists are more likely known as trade association representatives, fiscal consultants and, sometimes, parliamentary agents. In the yellow pages of the Ottawa telephone book honourable senators will find there listed pleaders who are better than you have heard in many courts. In Washington they register and recognize such individuals, and I have seen it reported that they have spent as much as $4 million a year on lobbying. As a matter of fact, in Washington money spent on lobbying is recognized as deductible expenses for taxation purposes—if you can believe that. However, there the legislator knows to whom he is talking. Here in Ottawa lobbyists do not wear badges; for all purposes they remain faceless. I know of their existence, influence and practice, and I have known this for many years. I can say to my friends that if you do not know what you are looking for, you are not likely to find it.

When this bill was introduced here for the first time, in 1960, no one paid much attention to it, except the members of the Senate. Nothing like this had happened before; the Senate had not been in the habit of originating legislation. To all intents and purposes it appeared to be an exercise in futility. Then, to the great surprise of many, the bill received second reading in this house and went to committee. In committee we had a hearing and were awaiting the opinion of legal counsel when that Parliament came to an end.

Last year it was a little different. There were constant calls made to the committees

branch to find out when the bill was to be proceeded with. Such calls were a daily occurrence. These lobbyists were crawling in the corridors; they did their job all too well and helped defeat the bill. I knew they were active, but I could not assess their effectiveness. That is why I said what I did at the time.

Hon. Mr. Higgins: Is the honourable senator suggesting that these lobbyists called on senators?

Hon. Mr. Croll: I did not suggest that.

Hon. Mr. Higgins: You did not suggest it; you actually said it.

Hon. Mr. Croll: I said that the lobbyists were here; I did not say they called on anybody.

Hon. Mr. Brunt: Then what were they here for?

Hon. Mr. Croll: I said they were crawling in the corridors—perhaps taking exercise.

Hon. Mr. Brunt: I never saw one.

Hon. Mr. Croll: As I have already stated, if you do not know what you are looking for, you cannot find it.

Hon. Mr. Higgins: How do you know who they were?

Hon. Mr. Croll: I know them.

Hon. Mr. Brunt: Describe them.

Hon. Mr. Croll: I do not wish to describe them.

Hon. Mr. Aseltine: I received fifty letters in favour of the bill last year, and nobody ever approached me personally.

Hon. Mr. Reid: I got letters from people in British Columbia who were trying to high pressure us—

Hon. Mr. Croll: I am coming to that in a moment.

Hon. Mr. Brunt: I think there was an excellent lobby for the bill.

Hon. Mr. Aseltine: I was lobbied by the fifty letters I received.

Hon. Mr. Croll: That is the mistake you make, when you talk about a lobby for the bill. I have just read a definition of "lobby".

Hon. Mr. Brunt: That is not an all-inclusive definition.

Hon. Mr. Croll: When you use the word "lobby" in describing a public body you are misusing the word.

Hon. Mr. Brunt: On your definition only.

Hon. Mr. Croll: A lobby is a special interest group.

Hon. Mr. Buchanan: It is propaganda.

Hon. Mr. Croll: No, it is representation. You ought to be happy if the consumers, farmers or labour write and ask you to do something about a matter. That is a representation made to you in the best democratic fashion.

Hon. Mr. Buchanan: That is propaganda.

Hon. Mr. Croll: By whom?

Hon. Mr. Buchanan: By you.

Hon. Mr. Croll: The only propaganda I have been responsible for was in this house. With the exception of a speech I delivered in Winnipeg, I have not spoken once on this subject outside this house.

Hon. Mr. Brunt: Do you mean to say a group cannot lobby?

Hon. Mr. Croll: No, a public group cannot.

Hon. Mr. Brunt: Have you ever heard of the farmers' lobby in Washington?

Hon. Mr. Croll: That happens to be a special interest group.

Hon. Mr. Brunt: Do you mean to say they cannot conduct a lobby?

Hon. Mr. Croll: Yes, but there is a difference between a lobby and representation.

Hon. Mr. Monette: Would that not be a special interest group, when they appeared here to speak? Do you not call them lobbyists when they are a special interest group?

Hon. Mr. Reid: They are lobbyists, whether they are for or against the bill. When I get letters from British Columbia, to me that is lobbying.

The Hon. the Speaker: One question at a time, please.

Hon. Mr. Croll: I have always thought that one of the things a member of Parliament, whether sitting in this or the other place, appreciates and encourages is contact with his constituents, because he likes to know how they feel about matters. When the term "lobby" is applied to a consumers' association, a labour organization or the Canadian Welfare Council, it is improperly applied because they are not special interest groups. They appear in the public interest; that is the difference.

Hon. Mr. Monette: And is there no special interest in this whole affair?

Hon. Mr. Croll: There cannot be a special interest exhibited by these people. They have no axe to grind, but they are prepared to share the benefits with everybody.

Hon. Mr. Brunt: If the finance companies approve the bill as a group, is that a lobby?

Hon. Mr. Croll: They have a special interest —in making as much money as they can. Since when have they been a public body? What interest do they serve but their own?

Hon. Mr. Bouffard: Have not they the right to make their own representations?

Hon. Mr. Croll: Yes, they have the right to make their own representations, but when they make those representations, recognize them for what they are, a special interest. That is the difference: one is a public interest, and the other a special interest, and we are not here to serve special interests. I am asking this house to distinguish between them.

Hon. Mr. Higgins: It is only a figment of the honourable senator's imagination that there was lobbying in this house. No one is interested in lobbying, and I do not think it is right or proper for the honourable senator to pass that remark. I was not asked about the bill and I could find no senator who was. How does the honourable senator know that this lobbying occurred, if it did? Did he see the lobbyists, and how did he know that they were here in such numbers?

Hon. Mr. Croll: The honourable senator will forgive me if I do not give names. It might embarrass him.

Hon. Mr. Dupuis: May I ask, Mr. Speaker, that the honourable senator from Toronto-Spadina (Hon. Mr. Croll) be allowed to proceed?

Hon. Mr. Brunt: He does not need any help on that point.

Hon. Mr. Croll: In the light of some of the things I have said, it is time the tables were turned. It is time that the principle of *caveat emptor*, "let the buyer beware", is outmoded; it is socially destructive in the light of the present day. It should be changed to *caveat venditor*, "let the seller beware".

I do not think it is possible, in the light of this whole debate, for honourable senators to say that there is no grievance to be remedied, no evil to be avoided and no action necessary. This bill, or one very similar to it, is as inevitable as tomorrow. I would like to see this house pass it. Almost everyone agrees that it is a good idea; some say that it should be done another way but they do not say what the other way is.

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Croll: It is hard for me to come to the conclusion that we are unable to solve this problem. Most of us are able finally to answer the questions on the income tax form.

Hon. Mr. Brunt: It is very simple, compared to this bill.

Hon. Mr. Croll: It is pretty hard to imagine that the country across the way, which has been able to send a man into orbit and is aiming at the moon, would not be able to solve a matter of mathematics.

Hon. Mr. Brunt: They have not been able to do it yet.

Hon. Mr. Croll: Their president says they can, and I would take his word against that of the honourable senator. I would take also the word of the professor against his. In fact, I would be prepared to take almost anybody's word against that of the honourable senator. The Opposition has narrowed down now to saying: "This is a mathematical quagmire; the calculations are impossible".

Who has been doing all the calculations from time immemorial? Businessmen have been making calculations for hundreds of years.

Hon. Mr. Brunt: Why did the honourable senator not put the calculations in the bill?

Hon. Mr. Croll: The calculations will be put in by the responsible people.

Hon. Mr. Bouffard: In my speech I put four questions as to the impossibility of the calculation. Could the honourable senator give an answer to any one of the four?

Hon. Mr. Croll: I fear that putting questions to me on matters involving finance is not very rewarding, as I am not good at figures. In that respect I share with some other people some of these incapabilities. Of course, the answers will be given in committee by competent people.

However, I would like to point out that the Earl of Birkenhead, in *The Official Life of Professor F. A. Lindemann, Viscount Cherwell,* points out that during the war Lindemann was one of Churchill's closest advisers. Birkenhead explained that Lindemann's ability to think mathematically greatly simplified Churchill's wartime tasks, the Prime Minister having no head for figures.

In that respect, most of us share that incapacity. As I have said, the answers will be given in committee by competent people. I think the answer which Professor Stanton gave, and which I read, was a pretty complete answer that this is not a quagmire, as has been suggested.

Hon. Mr. Bouffard: Will he come before the committee?

Hon. Mr. Croll: We will see about that in good time. There are other people who have opinions on this and who may share this view rather than some of the views expressed here by persons who know less about mathematics than these people.

I think that legislation in the form I have suggested must come to an aroused

society whose conscience and whose pockets have been seared by an injustice which has continued for a long time. The time has come to toll the bell to mark the end of this economic cancer which we can tolerate no longer.

I realize that there are other questions which need to be answered. They will be answered in due course. We should not speculate on what will happen to this bill when it gets to the other place. Let us get it there. Then we can see what happens.

I have answered as many questions as possible, and I would ask honourable senators to forgive me if I have omitted to answer some.

I ask this house to endorse this bill, and I shall then propose that it be sent to the Standing Committee on Banking and Commerce.

Hon. Mr. White: The honourable senator has read into the record again the opinion given by the former Deputy Minister of Justice. If my memory is correct, when the first bill was before the Senate, it went to the committee and at a meeting of the committee Mr. Varcoe gave an opinion that that first bill which the honourable senator introduced was unconstitutional. Is that not correct?

Hon. Mr. Croll: At that time, yes, but for certain reasons. The honourable senator has not stated the matter fully. He should remember what Mr. Varcoe said, that it was unconstitutional because of the preamble, not because of the contents of the bill.

Hon. Mr. Monette: May I as politely as I can, and with all due respect to the honourable senator, ask a question? Has he read and studied the decision of the Privy Council upon the reference re the Natural Products Marketing Act which came before the courts in 1936 or 1937?

That act was passed by the federal Parliament to govern the preparation, sale, and disposition of Canadian products in the provinces. Naturally, it was felt that this was of provincial importance. The act, however, provided that any violation of its provisions was a criminal offence. There was no doubt that jurisdiction as to criminal offences belonged to the federal Parliament. Why was that provision put in the act? The act dealt with matters of trade within the provinces.

Hon. Mr. Roebuck: Is the honourable senator making a speech, or asking a question?

Hon. Mr. Monette: I want to ask a question. If I am out of order, His Honour will rule on it.

The Hon. the Speaker: The question seems to be rather extensive. The honourable senator may ask a question in order to obtain information, but he seems now to be imparting information to honourable senators. I ask the honourable senator to put his question.

Hon. Mr. Monette: I am making some remarks preliminary to my question.

The Hon. the Speaker: Are the remarks being made so that we may better understand the question? It is a preamble to the question?

Hon. Mr. Monette: It is difficult for me to put my question intelligently without making a few preliminary remarks. I wish to state what is behind my question.

The Privy Council had decided that the matter of criminal law was within federal jurisdiction in another case, but the question before it with respect to this particular act was whether the element of criminality, thus giving jurisdiction to the federal Government, was put in the bill genuinely, or to colour other parts of the bill which were decidely within provincial jurisdiction? That question was raised, and it was decided that—

The Hon. the Speaker: I am sorry, but I shall have to rule that the honourable senator is not asking a question, but is making additional remarks.

I warned honourable senators that if the honourable senator from Toronto-Spadina (Hon. Mr. Croll) spoke again in this debate, his speech would have the effect of closing it.

Hon. Mr. Monette: I will put my question immediately.

The Hon. the Speaker: If the question is not put immediately I shall have to rule the honourable senator out of order.

Hon. Mr. Monette: Did the honourable senator (Hon. Mr. Croll) know that the case to which I have referred decided that a matter may by itself be within federal jurisdiction if its main object has criminal importance, but if that provision is placed in the bill to colour something which is not within federal jurisdiction, then the criminal enactment in the bill is not constitutional?

Can the honourable senator tell me whether this bill is designed to determine only the interest, which is the amount that the lender exacts for lending his money, or whether it is intended to colour the charges which are not interest but which the borrower has to pay? That is my question. It is my hope that when the bill is before the committee the honourable senator will be able to answer my question, if he cannot do so tonight.

Hon. Mr. Croll: The only answer I can give at the moment is that there is nothing colourable in this bill. I considered that aspect when I presented it.

Hon. Mr. Monette: There is nothing in it to be coloured?

Hon. Mr. Croll: Nothing at all.

Hon. Mr. Higgins: I should like to ask the honourable senator a question. Why did he not include the discount finance companies, referred to by the honourable senator from Hanover (Hon. Mr. Brunt), in this bill?

Hon. Mr. Croll: Is the question, why does the bill not cover those finance companies?

Hon. Mr. Higgins: Yes.

Hon. Mr. Croll: They are covered if they come within the definition.

Hon. Mr. Higgins: The honourable senator from Hanover said that they were separate organizations and were acting really as agents for the department stores. Ordinarily the arrangement operates so that two parties are involved, namely, the department store and the consumer, whereas, when the finance company is joined, three parties are involved, namely, the finance company, the department store and the consumer. In the first place the consumer goes to the department store, which has the contract executed by the consumer, who then is given the goods. In the latter case the contract is drawn up by the finance company and the money is given by the finance company to the consumer who then buys the goods from the department store. Should not the consumer be protected in that sort of transaction?

Hon. Mr. Croll: I could not agree with you more. I would point out that even before this bill goes to the committee, people are trying to think of ways of getting around its provisions. That is one way of getting around them. If the honourable senator would move an amendment to the bill to prevent such a thing I shall be delighted to support it.

Hon. Mr. Higgins: I am not a member of the Standing Committee on Banking and Commerce.

Hon. Mr. Croll: I invite the honourable senator to attend the meeting, in any event.

Hon. Mr. Higgins: The provisions of this bill will be bypassed unless an amendment is made.

Hon. Mr. Croll: What Senator Brunt said is disturbing but it should not frighten anybody, because 99 per cent of the consumer finance business of this country is done in a fashion other than that mentioned in the article from which he read. Senator Brunt read from an article which also appeared, if I am not mistaken, in the *Financial Post* with respect to some method that may be used to avoid the purpose of the bill. However, the amount of business transacted in that fashion would be infinitesimal when compared with the whole consumer credit business of the country.

The Hon. the Speaker: It is moved by the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, that this bill be now read a second time. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Brunt: On division.

Hon. Mr. Hayden: On division.

Some Hon. Senators: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Croll, bill referred to Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 4, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-75, to amend the Canadian Wheat Board Act, and had directed that the bill be reported without amendment.

Report adopted.

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING

Hon. Calvin C. Pratt, Acting Chairman of the Standing Committee on Standing Orders, presented the committee's first report.

> Your committee recommend that the time limited for filing petitions for private bills (other than petitions for bills of divorce), which expired on Wednesday, February 28, 1962, be extended to Friday, April 6, 1962.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Pratt: With leave of the Senate, I move that the report be adopted now.

Report adopted.

TOURIST TRAFFIC

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. R. B. Horner, Chairman of the Standing Committee on Tourist Traffic, presented the following report of the committee.

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Horner: With leave, I move that the report be adopted now.

Hon. W. Ross Macdonald: Honourable senators, the report of the Tourist Traffic Committee recommends that authority be granted for the printing of its proceedings in English and in French. I am wondering what took place at the meeting. Perhaps if the chairman of the committee would tell us something of what took place we would be better able to decide whether the record of the proceedings should be printed.

Hon. Mr. Horner: Honourable senators, as chairman of the Tourist Traffic Committee, may I just say that at the meeting this morning, the honourable senator from Halifax North (Hon. Mr. Connolly) made a good suggestion. Perhaps he would say a few words to the house now along the lines of his suggestion.

Hon. Harold Connolly: Honourable senators, the committee met this morning under the able chairman, the senator from Blaine Lake (Hon. Mr. Horner).

The Director of the Canadian Government Travel Bureau and several of his assistants were heard, and a lengthy discussion ensued. The committee was well supplied with charts, pictures and pamphlets illustrating tourist activities in Canada. If I may presume to speak for the members of the committee, I think it was generally felt that the Canadian Travel Bureau is doing a first-class job.

Hon. Mr. Davies: Hear, hear.

Hon. Mr. Connolly (Halifax North): The suggestion to which the honourable chairman, (Hon. Mr. Horner) referred as having come from me was briefly that various governments have treated the Canadian Government Travel Bureau as a sort of orphan child, being moved from one foster home to another.

In my judgment, that treatment operates against the efficiency of the men who direct the activities of the bureau, because they never quite know where they are.

At the moment the travel bureau is under the direction of the Department of Northern Affairs and National Resources. Without being facetious, and certainly without any thought of attaching blame to anyone, may I suggest that of all the departments of government that is the one most unlikely to have the travel bureau under its jurisdiction.

Hon. Mr. Smith (Queens-Shelburne): What about Arizona Charlie's?

Hon. Mr. Brunt: What about National Revenue?

Hon. Mr. Connolly (Halifax North): It seems to me that the bureau has now moved from the home hearth into the outer wilderness, and I submit now as I did this morning, that it could probably function most efficiently under the Department of Trade and Commerce, which is concerned with bringing dollars into this country and generally directing the economy. Since the tourist

bureau attracts a great many dollars to this country, I think it is a natural ally of the Department of Trade and Commerce and should be incorporated within the framework of that department.

Honourable senators, I am quite surprised to be called on in this fashion, but I defer to the friendship of the chairman for the opportunity to say these things. Since 1934 this department which now directs the tourist bureau has graduated or, in the reverse sense, has deteriorated from the Department of Railways and Canals to the Department of Transport, to National War Resources, to Trade and Commerce, to Reconstruction and Supply, and finally to Northern Affairs and National Resources.

I suggest to this chamber, as I suggested to the committee this morning, that the direction of tourist traffic is far too important a function to be switched around from foster home to foster home, that it should finally be brought back into the bosom of the family and attached to the department where it can operate with greatest efficiency.

Motion agreed to.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (*a*) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(*b*) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, may I inquire of the leader (Hon. Mr. Aseltine) as to when I may expect an answer to my question on the Order Paper?

Hon. Mr. Aseltine: I am not sure. I have followed it up day by day but the Minister of Justice is very busy with legislation of one kind and another and has not had time to give me the answer. I want the honourable senator to know that I have not forgotten the matter and that I shall provide the answer at the earliest possible moment.

Hon. Mr. Pouliot: I thank the honourable gentleman and, as I have always done, I continue to put my faith in him.

UNITED NATIONS

SIXTEENTH SESSION OF GENERAL ASSEMBLY—ORDER FOR RESUMING DEBATE STANDS

On the Order:

Resuming the adjourned debate on the inquiry of the Honourable Senator Brooks, P.C., calling the attention of the Senate to the Sixteenth Session of the General Assembly of the United Nations, held in New York City, and in particular to the discussions and proceedings of the Assembly and the participation therein of the delegation of Canada.—(Honourable Senator Macdonald, P.C.).

Hon. W. Ross Macdonald: With the approval of honourable senators, I would ask that this matter stand for one more week.

Hon. Mr. Brunt: Agreed.

Order stands.

JUDGES ACT

BILL TO AMEND—SECOND READING

Hon. William R. Brunt moved the second reading of Bill C-84, to amend the Judges Act.

He said: Honourable senators, once again I have the honour and pleasure of introducing in this chamber a bill to amend the Judges Act, known in this instance as Bill C-84. I believe that similar bills have been introduced in this chamber for many years. Usually amendments to the Judges Act deal with the simple matter of appointing additional judges for one or more of the provinces and to provide for the payment of the salaries of the additional appointees. This particular bill makes such a provision with respect to the province of Ontario, and in addition it provides for the naming of one of the district or county court judges to the position of chief judge of the county and district courts in and for the province of Ontario. In other words, it creates a new title for one of the district or county court judges.

I am sure that all honourable senators are aware that by section 92(14) of the British North America Act the provinces have jurisdiction over the constitution of the courts within their boundaries. By section 96 of that act provision is made for the appointment by the federal Government of judges of the superior, district and county courts in each province. Finally, by section 100 of that act the federal Government is charged with the payment of salaries, allowances and pensions of all judges.

The province of Ontario has passed the necessary legislation which provides for the appointment of certain additional judges to both the high court and the county and district courts. The amendments which are proposed by this bill are required in order to give effect to these new appointments.

If honourable senators will look at the bill in question they will note by clause 1 that provision is made for twenty-two other judges of the high court at an annual salary of $16,900 each. By the Judges Act "other judges of the high court" are defined to be trial court judges, so that this particular section provides for the appointment of two additional trial court judges for the Supreme Court of Ontario. At the present time there are twenty judges, and this bill provides for twenty-two.

It further provides that each judge will be paid the salary set out in paragraph 1.

Hon. Mr. Reid: Why is the term "high court" used there, when the expression used in the explanatory note on the following page is "supreme court"?

Hon. Mr. Brunt: In Ontario it is known as the Supreme Court of Ontario.

Hon. Mr. Croll: It is the term used in the act.

Hon. Mr. Brunt: It may well be. In the province of Quebec it is known as the superior court; in Ontario it is the supreme court; and in the western provinces I think it is called the Queen's Bench. I think "high court" is the term used in the original Judges Act and that wording is incorporated into this bill.

Hon. Mr. Davies: Does this bill provide for any increase in salary?

Hon. Mr. Brunt: No, it remains exactly the same. No salary increase is provided in this bill for any judge.

At the present time there are seventy-two county and district judges and junior judges in the province of Ontario, who receive an annual salary of $10,500 each. By clause 2 of this bill the number is increased to seventy-nine by the appointment of seven additional judges, each of whom will receive the salary specified in the bill.

In addition, honourable senators will note that under clause 2, one of such judges shall be known as the Chief Judge. Whoever is designated will be known as the Chief Judge of the County and District Courts in and for the province of Ontario.

I understand that the province of Alberta has a similar system, except that there are two chief judges there, one being the Chief Judge of the northern district and the other being the Chief Judge of the southern district.

The Chief Judge can be chosen from among the present judges or from among the new appointees. There is no restriction in any way as to his being chosen from either one group or the other.

Hon. Mr. Reid: Will he get a higher salary?

Hon. Mr. Brunt: Yes. The Chief Judge under the Ontario Act is entitled to an allowance at the rate of $5,000 per annum, payable by the province.

Hon. Mr. Power: That is, the province of Ontario?

Hon. Mr. Brunt: That is right. I might add that all of the county and district court judges who will be appointed as a result of this bill being passed will be known as judges at large.

I understand that none of them will be named in and for any specific county or district.

Hon. Salter A. Hayden: Honourable senators, this bill gives me an opportunity to say a few words in relation to the changes which have been taking place in the province of Ontario in the constitution and operation of our county court system.

We have been wedded for a lifetime—I might say for the lifetime of many people—to a system under which we have so many designated counties, each with a county court judge, and certain districts, each with a district judge. In each case, whether there was a lot of work or very little work, at least one judge was appointed. Over the years, as business and population concentrated in the larger areas, the net result was to put great stress on the administration of justice in the county court in centres such as Toronto, Ottawa, Hamilton, Windsor and Sudbury. On the other hand, there were other areas in Ontario where judges had difficulty keeping themselves busy.

In later years the practice has developed of inviting judges in certain areas where there is little county court business to work in one of the larger centres for two or three months, thus relieving to some extent the judges there of the work, the onus and the responsibility, and also increasing efficiency in the administration of justice.

A few years ago some recognition was given to these problems, and with respect to Ontario there was a succession of amending bills to the County Court Judges Act. Under our system, as mentioned by the honourable sponsor of the bill (Hon. Mr. Brunt), the province constitutes the court in the sense of the number of judges to function in a particular court, and the federal authority provides the salary.

Clause 1 of this bill speaks of twenty-two other judges of the high court, or the Supreme Court of Ontario, but it is actually providing for an increase of two in the number of such judges presently appointed in Ontario. Therefore the total amount of salary provided by this bill is twice $16,900.

In like fashion clause 2 of the bill speaks of one chief judge and seventy-eight judges and junior judges of the county and district courts, while it actually provides money to pay the salaries of seven additional judges.

To the extent that this measure will relieve the burden in the more populous areas of Ontario, these increases certainly are justified. The idea behind this bill with respect to the setting up of what might be called roving judges or judges on circuit is an excellent one, because the chief judge, whose position is a new one in Ontario, will be able to assign judges, who have not been appointed to specific county or district courts, to various places where the pressure of work is great.

The Attorney General for Ontario, when he was explaining the bill to amend the County Court Judges Act and the County Court Act, said that of the six new judges, other than the chief judge, for whose salaries we are now providing money, two will be assigned to Ottawa because of the pressure of work here, two will be assigned to Toronto, and the remaining two will go to a number of places where they are needed. They will go on this circuit within the county court system. In addition, the plan envisages the chief judge being the director or the administrator of the judicial force in the county courts. He will be able to request a judge in, say, the Manitoulin Island area, where there is little work to be done, to go to Toronto, for instance, for two or three months. When a county court judge is assigned to a particular county or district he cannot be assigned anywhere else without his consent, but the procedure I have mentioned of inviting a judge to another centre has been going on for years.

Judges are anxious and willing to move into areas where they can exercise their talents and where they feel they are accomplishing something; therefore, in my view this scheme that is envisaged, and this bill for the provision of moneys to pay the salaries of six additional judges and junior judges, is to be commended. Last year I think we received a request for the appointment of two judges, and the year before a request for the appointment of six judges, of this roving nature, but they are judges of the county and district courts and are assigned to particular territories.

In principle the plan is a good plan, and I do not want to be critical of it. I would rather use this occasion to make some suggestions. In my view there is no reason why we should remain wedded to the basic county court system. We are moving away from it in many directions. For instance, the Ontario Legislature is increasing the jurisdiction of the county court, and that fact by itself is a justification for the appointment of more judges. Generally speaking, the jurisdiction of the county and district courts has been at least doubled and in many cases more than doubled.

As an illustration I would point out that until very recently the county and district courts of Ontario had jurisdiction in actions arising out of contract only where the sum claimed did not exceed $1,200. Under the legislation that has now been given royal assent in Ontario—I am referring now to Bill 61, to amend the County Courts Act—that jurisdiction is increased to $3,000. In

personal actions, except actions for criminal conversation and actions for libel, the jurisdiction was $1,000, and that has been increased to $3,000. So we go on down the line finding substantial dollar increases which raise or extend the jurisdiction of the county and district courts.

There is a provision that has been in our County Courts Act for many years to the effect that an action for personal damages may be brought in the county court for sums of money very much in excess of the jurisdiction of the court. The defendant has the right to challenge that, in which event the case must go to the supreme court. However, if the defendant does not challenge it the question of jurisdiction cannot thereafter be raised, and the case can be tried in the ordinary way in the county court. That occurs very frequently. People, for a variety of reasons, bring their actions in the county court even though the dollar amount of the damages claimed is in excess of the limit of the jurisdiction of that court, and many such actions are tried by that court.

The county court is charged with the administration of law in Ontario, and its jurisdiction is being extended. The appointment of more judges will enable that court to do its work more efficiently and reduce the backlog of work that exists in many of the larger centres. The amount of work that a county court judge is called upon to do is considerable.

Having said what I have, and having commended the province of Ontario for taking this course, I would like to say that there is still opportunity for further improvement if we get ourselves away from the method of assigning judges to a county where there is very little work to do. It may be that the method to be followed there would be to group these counties together and thus reduce the number of appointments or, possibly, establish a circuit in relation to those areas where a judge, instead of being resident in one locality, could move around the circuit. The number of judges required could thereby be reduced. It is possible that for the same expenditure of money we could provide ourselves with a very efficient judicial force in the county courts.

So far as the Supreme Court of Ontario is concerned, while it appears that we are appointing two additional judges—which is true, because there are at present twenty appointed—we are actually appointing only one additional judge. At present there are only nineteen working because one has been given leave of absence to accept an appointment in Cyprus. It is an honour to Canada that a Canadian judge has been invited to participate as a member of the highest court of that country for a term of, I think, five years.

Hon. Mr. Brunt: I think it is six years.

Hon. Mr. Hayden: In Ontario we will have a working staff of twenty-one supreme court judges until this judge returns from Cyprus. Supreme court judges are certainly called upon to do a tremendous volume of work, more than even twenty-one judges can do without leaving a backlog from time to time, and the volume of work is increasing.

This brings me to the question of judges' salaries, and the fact we are not increasing them. The present annual rate is $16,900 for supreme court judges and $10,500 for county court judges. Those have been the salary rates since 1955. When we increased the salaries of supreme court judges from $14,400 to $16,900 in 1955 we were, for the moment, being penurious because we provided that the judges' pensions would be based upon the salaries they were then receiving and would not reflect their increased salaries; in other words, their pensions were and still are based upon an annual income of $14,400 and not $16,900.

Hon. Mr. Higgins: That is not so now.

Hon. Mr. Brunt: No; that situation has been corrected.

Hon. Mr. Hayden: When?

Hon. Mr. Brunt: Last year.

Hon. Mr. Hayden: Then, I stand corrected. In any event, a salary of $16,900 is totally inadequate.

Hon. Mr. Davies: Do judges receive expense allowances in addition to their salaries?

Hon. Mr. Hayden: Yes, when a circuit judge travels from Toronto, which is his place of residence, to Sudbury, Windsor, or whereever it may be. He is subject, however, to a prohibition in the Judges Act to this effect: He may not undertake any extra-judicial employment; he must devote himself exclusively to judicial duties; he must not engage in any business or occupation other than his judicial duties, and he must not be paid any extra remuneration. When it comes to accepting outside appointments on a board of arbitration or some other body—

Hon. Mr. Macdonald (Brantford): A commission.

Hon. Mr. Hayden: —or a commission, he must receive permission from the Governor in Council. If the Governor in Council, or the Lieutenant Governor in Council of a province, nominates a judge to serve on a commission or a board of arbitration, and he accepts the

nomination, he is not entitled to remuneration as such, only to travelling expenses and what is called, under the statute, a living allowance. If you have had any experience with this type of living allowance you will understand that no person can accumulate money from it. As a matter of fact, I would think that in most cases a judge would spend more money than he would receive by way of expenses and living allowances.

Hon. Mr. Higgins: Until last year a judge received a living allowance of $12 or $15 per day in a large community and $10 in a smaller one. These regulations were changed last year, and he now puts in for his actual expenses. When a judge is appointed to a board of arbitration does he now put in for his actual out-of-pocket expenses or is there a set allowance?

Hon. Mr. Hayden: I would be guessing if I were to try to answer my honourable friend's question, for I have not looked it up. What I have said reflects what has been reported to me by those who have engaged in such activities, and I have no reason to disbelieve what I have heard, that the living allowances plus the travelling expenses are not intended to be in any sense extra remuneration.

Hon. Mr. Brunt: Oh, no.

Hon. Mr. Hayden: These allowances are not meant as remuneration in the sense of a salary or payment for services but are intended to keep the judge from being out of pocket. Let us put it that way.

Hon. Mr. Higgins: Well, up until a year ago the judge was out of pocket when performing those duties.

Hon. Mr. Hayden: Yes. It is a matter of degree. Let us put it this way: if he is now out of pocket, then he was more out of pocket previous to a year ago.

Hon. Mr. Brunt: But because of the amendments made last year he is no longer out of pocket.

Hon. Mr. Hayden: It depends on how you analyse it. As a judge I would have certain living expenses in Toronto regardless of any living expenses I would have while in Ottawa, Windsor or Sudbury, but the only expenses I could charge under the regulations would be those incurred in the place in which I am performing my duties as a judge.

Hon. Mr. Brunt: Outside of Toronto.

Hon. Mr. Hayden: Yes, outside of Toronto. If I stayed in Toronto I might be better off.

Hon. Mr. Macdonald (Brantford): You would not be any worse off.

Hon. Mr. Hayden: No; I don't want to be negative. There are so many persons here from places other than Toronto, I must not at any time be negative. That would be a horrible suggestion, to be negative and say that you are not any worse off. I would say that a judge would be better off if he stayed in Toronto and presided there.

I am satisfied from the judges I know in various parts of Canada that by and large we have in Ontario an exceptional bench as to quality, integrity, devotion to duty and recognition of the traditions of judges. Yet we ask them to perform their duties for $16,900, less income tax, which every person must pay, and at the same time we ask them to maintain the standard that their position demands. There is a standard which a supreme court judge in Ontario, or anywhere else in Canada, must maintain so as to uphold the dignity of the court and the administration of justice. I say that, in relation to the times, we are entirely out of focus when we talk in terms of a salary of $16,900 for a supreme court judge. The answer may be, "Well, they don't have to accept the position". All I can say is that we can be extremely grateful so many men who were good lawyers and outstanding men in their profession have been prepared to accept the call to public service and go on the bench.

Hon. Mr. Macdonald (Brantford): Could the honourable senator tell us the salary now paid to county court judges in Ontario?

Hon. Mr. Hayden: A county court judge receives a salary of $10,500. The senior county court judge for the county of York receives $2,500 a year in lieu of judge's fees provided under all the acts of the Legislature of Ontario. The other county court judges receive $1,500 in lieu of these fees—at least they did up until a year ago—and they get a percentage of the surrogate court fees.

Hon. Mr. Brunt: I thought they received a lump sum now.

Hon. Mr. Hayden: You will notice I said until a year ago. In lieu of that change they may get a lump sum now. Certainly the county court judges who are being appointed "at large"—by which expression I mean that they are not attached to any particular county, and therefore not attached to a surrogate court in a county—receive a lump sum. By virtue of an amendment this session to the Ontario statute, they get $2,000 a year. The average county court judge, therefore, might earn something of the order of $13,500 or $14,000, and the supreme court judge would get $16,900.

Hon. Mr. Higgins: Honourable senators, if you do not mind the interruption, and since

we lawyers are supposed to stand by each other, I would call to your attention that newspapers have recently commented on the fact that some deputy ministers receive far higher salaries than supreme court judges.

Hon. Mr. Hayden: I intended to make that point, but since my friend has done so I do not need to. However, if we study the scale of earnings in business at the level of the educational and professional qualifications of our judges, it will be found that the scale is much higher for business than for judges. In my view, we have not moved along with the times. We have been fortunate in finding men who are prepared to go on the bench, who are happy in the discharge of their responsible duties, and who discharge them not only creditably but with dignity and good sense. However, at some stage we must face the situation that there should be a better relationship between the quality of the men we seek and so far have been able to get on the bench, and the remuneration we are willing to provide for them. I say that because, in my view, to be a judge, to be the interpreter of laws standing between subjects, and to make a determination of the rights and liabilities as between the subject and the Crown, and to define those rights and liabilities, is one of the most important functions in our system of society. To make myself clear, those men should be properly remunerated and put in the position that they can apply themselves to the work they have to perform with dignity, integrity and respect for the law, and be able to maintain themselves and enjoy a mode of living consonant with the dignity of their position. I do not want it to be said that I have suggested that judges are not doing that now, for indeed they are. I am only saying that it is unfair that we should continue the disparity existing between what we require of and demand from them, and what we are paying them now.

Hon. Arthur W. Roebuck: Honourable senators, I am one of the senior members of the bar of the province of Ontario, a fact I am not boasting about, because members of the bar become seniors with the inexorable march of time, and that is true for me.

Hon. Mr. Macdonald (Brantford): May I remind the honourable senator that he is also a Bencher?

Hon. Mr. Roebuck: Thank you. Not only am I one of the senior members of the bar of Ontario, but I am also a Bencher of the Law Society of Upper Canada. So perhaps something is expected of me at this moment. It is also a cause to which I would like to contribute.

I feel the increase in the number of judges is justified. I have joined many times in asking that the number be increased because the work load had become greater. I think the idea of the itinerant judge, or to quote the appellation we now use, "at large", is thoroughly justified. When I became Attorney General of Ontario we had the local magistrate at that time, and he was paid by fees, in part at least. One of the very first things I did when I came to office was to order the abolition of the fee system, dispensing with the local magistrate, and the appointment of the itinerant magistrate, so that when a magistrate came to town from an outside point, he was not prejudiced by prior knowledge of the cases to be tried. I think the same principle applies to county court judges. That is all in the nature of progress, honourable senators.

The question I wish to raise now is that of remuneration. I join very heartily with the senator from Toronto (Hon. Mr. Hayden) in saying that the remuneration of our judges —I refer particularly to our county court judges, although I include supreme court judges—is totally inadequate.

The senator from Toronto has spoken about the increase in the jurisdiction of the judges, that their work has become more responsible and has grown very greatly in recent years. This is in keeping with the automobile age but, unfortunately, in the matter of remuneration of the judges, we are in the horse and buggy age. A salary of $10,500, even with the supplement that the provinces contribute, is quite inadequate. The provinces made that contribution in my time in the Ontario Legislature. The provinces wanted to be "part boss", as it were. "He who pays the piper can call the tune", you know.

I join with the senator from Toronto (Hon. Mr. Hayden) in his remarks with regard to the importance of the work of the judges. Holding the balance fair as between individual and individual, and as between individual and the Crown, is most responsible work. As I read not long ago, abolish that justice and you might as well abolish everything.

Honourable senators who saw the front page of the Toronto *Globe and Mail* this morning no doubt read the statement with regard to the remuneration of members of Congress in the United States. There is a certain analogy between the remuneration of senators and that of judges. Both senators and members of the Commons are inadequately paid. It is because of that analogy that I mention the statement in the morning press, that a member of the House of Representatives in the

United States is paid $22,000 a year. We get $10,000. They get a $3,000 allowance for living in Washington.

Hon. Mr. Hnatyshyn: We get $8,000 on that basis.

Hon. Mr. Roebuck: I think we thoroughly earn $3,000 for living in Ottawa—that is the way a person from Toronto feels about it.

Hon. Mr. Macdonald (Brantford): We are not all from Toronto.

Hon. Mr. Roebuck: That is true. Except for those who live here, other people probably will feel the same way about it.

Then, the Congressman gets $20,500 for office help, $600 a year to maintain an office in his home district, and $400 a year above his ordinary franking privilege for air mail and special deliveries, telegrams and telephone messages. So it adds up to a very considerable sum. I do not say that we should follow slavishly the pattern of pay to members of Congress across the international boundary, but it is an interesting comparison. I am sure that United States judges are paid far more than ours.

Now, I hesitate to urge further spending by this spending Government, and I am not going to go into small criticisms or appear to be captious about it today, but I do think there are many things that could be reduced in cost. Without going into details which may be offensive to members on the other side of the house, there are many places where we could cut down a little in order to pay adequately for what is genuine maintenance of our economic system.

I have here, honourable senators, some correspondence which I think you will find interesting. One of the very vigorous members of the bench of Ontario is Judge J. M. Cooper of Sudbury. He is the President of the Ontario County and District Court Judges' Association and so he speaks in his official capacity. I would like to quote some of what he has said. For instance, he says that the county court judge is more of a target in his community for subscriptions, and that he is obliged to keep up a standard of living that is not required of the high court judges in the city.

Now, that may be very true. These judges are leading citizens in the locality in which they live; they take part in all public proceedings of a highly creditable character, such as welfare, good business, good citizenship. You usually find the local judge taking an active part in all of these, and to do so costs money as well as effort.

Judge Cooper tells of efforts made by the association to induce the Government to increase judges' salaries. As the honourable senator from Toronto (Hon. Mr. Hayden) has said, they have not been advanced since 1955. And we all know that there have been vast changes in our community since that time.

Judge Cooper says that the Prime Minister:

> ... advised us that we had proved our case beyond a reasonable doubt, that he was satisfied of the necessity for an increase.

But somehow it has not been effected. He continues:

> You will note from this reply that a meeting with the Prime Minister was held on August 16th last. At this meeting a brief was presented and I may add it is quite factual, realistic and convincing. The Prime Minister apparently expressed himself that a case on our behalf had been proved beyond a reasonable doubt.

He goes on to say:

> At one time a judge was recognized as a person of prestige in his community and the Judges' Act provided relative remuneration for his services sufficient to justify such recognition. However, the time has come when every person of any position in the community is earning much more money than the judge and this yardstick may be applied to school teachers, police magistrates, civil servants of many categories, insurance agents and even salaried employees of used car lots, etc., etc.

The Hon. the Speaker: Does he suggest any amount?

Hon. Mr. Roebuck: No, Mr. Speaker, not in this correspondence which I have before me, but that point I know has been discussed between the authorities and the judges' association.

Judge Cooper comments, as has the honourable senator from Toronto (Hon. Mr. Hayden), on the fact that there is no lack of applicants for these positions. He also says, if the condition complained of continues, the position will attract two categories of applicants, firstly, those of independent means and, secondly, those who have been unable to successfully compete in legal practice. That, of course, honourable senators, will be the consequence in the not far distant future of paying these men less than we should pay them.

My honourable friend has suggested that these judges take part in arbitration proceedings and conciliation boards at expense to themselves. Well, I have served with judges a good many times and for many hours on conciliation boards, over many years, and that is not my impression. I think the judge is forced into such positions in

order to supplement to some extent his meagre salary. I know that to be the case. It is unfortunate that it is so and it is most unfair. The man who gets extra remuneration of that kind frequently leaves his home duties to be attended to by another judge who kindly helps out in the carrying on of his official duties, or he neglects his work, or it may be that the work in that particular district is sufficiently moderate to allow him to accept outside appointments. How unfair that is to the man who works in a community where all his time is taken up by his duties. Just because he has to work hard in his own locality he is unable to supplement his salary in the way that others can do who have less arduous duties.

There have been discussions in recent years about judges leaving their work to take part in extramural activities. I think the time has come, with the growth of judicial work and the expansion of our economy, when judges will have to remain at their posts. There is a proposal now before authorities of the province of Ontario to constitute a panel of men experienced in negotiations, in conciliation work and industry, men willing and capable of filling these positions, to act as chairmen of conciliation and arbitration boards.

Perhaps it will come to pass before very long and judges will then be prevented from participating in industrial disputes. However that may be, we should not allow that progress to be influenced unduly by the poverty of the judges whom we appoint and to whom we entrust important judicial duties.

Judge Cooper refers to the salaries paid to deputy ministers:

> (They) have been raising the salaries from time to time of the deputy ministers and other civil employees so that now they range from $18,000 to $21,000 a year. The basic salary of the judges is $10,500—

Then he says:

> ... if your judicial system breaks down, nothing else matters.

That is very true.

The passage I now wish to read is contained in a letter written by a judge, who shall remain anonymous. He says:

> It is with great regret that I must decline your very kind invitation to attend at Kingston for the opening of the new Collin's Bay Penitentiary Farm Camp.

This judge had been invited by the federal authorities to attend that ceremony.

> ... I had looked forward to the pleasure of meeting you—

That is, the Minister of Justice

> —However, my absence will be due to two main reasons:
>
> Firstly, my agenda—

His agenda would not permit his attendance.

> Secondly, it is with hesitation that I admit to the lack of necessary money to cover the expense of such a trip. My family obligations are such that it takes more than my salary as a judge of the district court to make ends meet. I have two dependents at university level and one who attends secondary school. Over the twelve years next July, during which I have been on the bench ... I have practically exhausted all the savings I had made before I was appointed. Further, I am not favoured with extra judicial work, such as the very remunerative labour arbitrations and conciliation boards, and even if I were I could not find the time to accept because of the heavy case load in this District, one of the busiest in this Province, outside of the City of Toronto.

Now, honourable senators, that state of affairs should not exist. No judge should be required to talk like that. Notwithstanding the Government's financial condition, I submit to the authorities—the Minister of Justice, the treasury board, and so on—that it is time we change that situation and paid these men a proper living salary, one in keeping with the times in which we live. We must assist them in maintaining a decent standard of living in these communities. We have been forced to do it in other cases, but the judges are a little like ourselves, very backward in urging their own financial condition. Indeed, there are many among us—myself excluded—who are living in penury here, in the city of Ottawa, with two houses to maintain and insufficient monetary reward for the work we do to pay our necessary expenses. The judges are in much the same position as we, and, perhaps, they are even worse off. We are in authority and can protect ourselves. They cannot; they are not in a position to scream aloud about their own financial plight. It must be left to their friends to take care of their cause. I think there are enough of us here who are their friends, who are interested in good government and decent justice, to see that these men are properly paid.

Hon. Malcolm Hollett: Honourable senators, I just want to add a few words to what has already been said and put my weight, whether little or much—and I think it is little at the moment—behind the two members who have

just spoken, the honourable senator from Toronto (Hon. Mr. Hayden) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I wish to congratulate them on laying before this august body the conditions in which the judges of our courts find themselves at the present time.

I was never a judge, but I was a magistrate for twenty-five, years, and I know what it entails. Even a magistrate has to take a leading place in the community, attending many functions, contributing to appeals for charity, and so on, and yet he cannot earn additional income. I must say, though, that while I was a magistrate I once sold some life insurance on the side, enough to earn me about $178 in two weeks. It was soon pointed out to me that I could either stay on as a magistrate or sell insurance, but not both. I gave up selling insurance, although now I think I may have been unwise in doing so.

A judge is an individual whom everybody must respect if freedom and justice, for which many of our friends and sons gave up their lives, is to be maintained. If the right type of man is not appointed to the bench we know that justice will be defeated. The community is not always going to get the right type of man on the bench, unless it protects him from the conditions in which judges now find themselves, and which were mentioned in the extracts the honourable senator from Toronto-Trinity has just read. We are not paying our judges a respectable salary.

If we are going to continue our present system of justice, which has been and always will be fought for, and if we are going to maintain it at a high level, we must have judges with a high degree of morality and a high sense of duty. Therefore, it is up to us to see that they are paid sufficient to keep them from having to state such facts as were stated in the particular letter which has just been read by Senator Roebuck.

I do not agree with one of the honourable senators who, I think, used the words, "despite our financial condition". I would say, "because of our financial condition". We are spending this year over $6 billion or $7 billion. If we cannot pay our judges sufficient to enable them to maintain the dignity which they must present to the world, there is something wrong.

If a motion were put forward now, from either side of this house, recommending to the Government that an increase be made in the salaries of judges to bring them up to a just and honest figure, I believe that every member of this assembly would vote for it. We have not got such a motion, but we can make our voice heard, so that it may inspire the members in the other place to do their right and proper duty by increasing the salaries of judges.

In that connection, I should like to refer also to the salaries paid to members of the other place. I can assure honourable senators that while they may not be starving, they are close to the line. Every year they spend seven or eight months here in Ottawa, they have to go back and forth to their homes, and they must be the top boys in the ridings they represent.

Hon. Mr. Roebuck: May I suggest that we substitute "we" for "they"?

Hon. Mr. Hollett: I do not understand where that goes in the context, but I will do so if the honourable senator so wishes.

The Hon. the Speaker: It means, including the senators.

Hon. Mr. Hollett: Very well. Let it go on the record that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has suggested that we substitute "we" for "they".

In recent times I have talked over the matter of pay with some members in the other place who were honest and just. They told me their situation with regard to salary. Honourable senators, if we are to expect the best type of men to come from across Canada to spend seven, eight or more months here, as the case may be, to maintain a home also in the place from which they come, we must be prepared to spend sufficient money to allow them to live decent and respectable lives, from the financial point of view.

If I were permitted—which, of course, I am not—to make a recommendation in regard to the members in the other place, I would suggest that they, too, be given consideration as to increased remuneration by this Government and the next which, of course, will be this Government. For example, I know three judges in Newfoundland, and I am quite sure that the amount which they are being paid does not allow them to do that which we would wish our judges to be able to do.

Hon. Mr. Croll: Did I understand the sponsor of the bill (Hon. Mr. Brunt) to say that county court judges now receive their pensions based on their present salary—two-thirds, or whatever the amount is—or is it based on the 1955 salary?

Hon. Mr. Brunt: All judges receive their pension based on their present salary.

Hon. Mr. Dupuis: In Quebec we have magistrate judges, corresponding to the county and the district judges, who are paid by the province. Are there judges in Ontario who are also paid by the province?

Hon. Mr. Brunt: In the province of Quebec there are many more high court judges than there are in Ontario.

Hon. Mr. Macdonald (Brantford): The magistrates have wider jurisdiction.

Hon. Mr. Dupuis: There are additional judges in the high court also. They handle litigation and they are paid by the dominion.

Hon. Mr. Brunt: Magistrates are paid by the province. The dominion Government has nothing to do with paying their salaries.

Hon. Mr. Roebuck: Nearly all the judges in the province of Quebec receive salaries at the high court rate.

Hon. Mr. Dupuis: Magistrates in Quebec are paid $14,000.

I wish to repeat a suggestion I made many years ago in regard to the title of these judges in Ontario. This refers also to some other provinces, in which they are called "Supreme Court Judges". This is very misleading, not only to ordinary people who live in those provinces, but to lawyers. The first thing they see in the reference book is that judgment was rendered by a judge of the Supreme Court of Ontario. That is not the same as the Supreme Court of Canada.

Hon. Mr. Macdonald (Brantford): I realize that the honourable senator from Hanover (Hon. Mr. Brunt) always has the very latest information on all legislative matters. However, I would draw it to his attention that when this bill was in the other place the necessary legislation had not been passed in the Ontario Legislature.

Hon. Mr. Brunt: Yes, it had.

Hon. Mr. Macdonald (Brantford): It had not been passed when the bill was being considered in the other place on Monday. My question to the honourable senator from Hanover is this: Has the necessary bill been passed by the Ontario Legislature?

Hon. Mr. Brunt: A little earlier I walked across the aisle and told the honourable senator from Brantford (Hon. Mr. Macdonald) that the bill had been passed by the Legislature of the province of Ontario.

Hon. Mr. Hayden: The two bills have been passed, Bills 103 and 61.

Hon. Mr. Macdonald (Brantford): I asked the question in order to have it definitely on the record. To anyone reading the House of Commons *Hansard* it would appear that the legislation had not been passed in Ontario. I wanted to make it clear that it had been passed, so that that would appear in the Senate *Hansard*.

Hon. Mr. Brunt: If the honourable senator looks closely and carefully at the *Hansard* of the other place for yesterday, he will find an announcement in it by the honourable Minister of Justice (Hon. Mr. Fulton) that these bills had been passed by the Legislature of the province of Ontario.

Hon. Jean-François Pouliot: Honourable senators, on this occasion I agree with everything which has been said and for that reason it is not necessary for me to repeat anything.

We have heard suggestions for an increase in the salaries of the judges. Far from being opposed to that, I am in favour of it. However, I must remind honourable senators that Parliament is composed of two bodies, the other place and this place. There is discrimination against this place in the fact that our travelling expenses are subject to income tax while the travelling expenses of the members of the other place are not. I find it unjust.

Hon. Mr. Dupuis: May I interrupt my honourable colleague? The suggestion of taxing the expenses and indemnity of senators was suggested by members of the Senate.

Hon. Mr. Pouliot: I know that very well, but those gentlemen earn $100,000 a year. I said to one of them that if I were in such a position I would not be suggesting what I am. It is a question of fairness. Why should our expenses be taxed while those of the members of the other place are not? It seems to me to be illogical. I say this in view of the next budget speech which is expected to be delivered next week, according to the press which is my only source of information. I submit that the Minister of Finance should see to it that this branch of Parliament receives the same treatment as the other house. It would seem to be only fair.

Some people, on account of their wealth and their incomes, are not much interested in the ordinary facts of life. We must remind them that there are among us some whose incomes are larger than others. I know that if we have tax-free expenses those individuals will pay a little more to the Department of National Revenue, but that will help those who are in less favourable circumstances.

I suggest, therefore, to my honourable colleagues that if they meet the Minister of Finance before he delivers his budget speech they put forth this suggestion, if they find it worth any consideration.

Motion agreed to, and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Brunt: Honourable senators, I move that the bill be referred to the Standing Committee on Banking and Commerce.

Some Hon. Senators: No, no.

Hon. Mr. Brunt: If all honourable senators agree, I will withdraw that motion and move that the bill be read the third time at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 199 to 240, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 5, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-190, for the relief of Elizabeth Anne Kotania.

Bill SD-191, for the relief of Hyman Omri Tannenbaum.

Bill SD-192, for the relief of Rosa Jacobson.

Bill SD-193, for the relief of Stephen Alexander Lantos.

Bill SD-194, for the relief of Frank Hamilton Mingie, junior.

Bill SD-195, for the relief of Frieda Lina Schaub.

Bill SD-196, for the relief of Alma Ivy Bankley.

Bill SD-197, for the relief of Colleen Ann Kenny.

Bill SD-198, for the relief of Phyllis Carol Johnston.

Bill SD-199, for the relief of Leonard Emond.

Bill SD-200, for the relief of Edith Rozel McDougall.

Bill SD-201, for the relief of Kenneth Allen Blight.

Bill SD-202, for the relief of Ellen Chase McKellar.

Bill SD-203, for the relief of Mona Pozza.

Bill SD-204, for the relief of John Faucher.

Bill SD-205, for the relief of Violet Pearl St. James Lemoine.

Bill SD-206, for the relief of Ann Marguerite MacDonald.

Bill SD-207, for the relief of Eva Florence Plaskett.

Bill SD-208, for the relief of Karl Heinz Kerlikowsky.

Bill SD-209, for the relief of Hilda Desjardins.

Bill SD-210, for the relief of Sandra Mary Louise Martin.

Bill SD-211, for the relief of Mary Iris Fournier.

Bill SD-212, for the relief of Rosemary Louise Eakins.

Bill SD-213, for the relief of Phyllis Manoah.

Bill SD-214, for the relief of Jean Elizabeth O'Reilly.

Bill SD-215, for the relief of Maureen Mary Piercey.

Bill SD-216, for the relief of Josephine Mary Croll.

Bill SD-217, for the relief of Milton Lawrence Trickey.

Bill SD-218, for the relief of William John Loke.

Bill SD-219, for the relief of Anita Guido Knezevic.

Bill SD-220, for the relief of Shirley Brimacombe.

Bill SD-221, for the relief of Betty O'Neil.

Bill SD-222, for the relief of Rebecca Rosenstrauss.

Bill SD-223, for the relief of Paulyne Leblanc.

Bill SD-224, for the relief of Marie Joan Patricia Jeffries.

Bill SD-225, for the relief of Isadore Rosenblatt.

Bill SD-226, for the relief of Alice Elizabeth Clarke.

Bill SD-227, for the relief of Armando Argentini.

Bill SD-228, for the relief of Molly Sacks.

Bill SD-229, for the relief of Millicent Vera Seagrove.

Bill SD-230, for the relief of Joseph Jean Paul Fernand Blanchette.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck: Monday next.

The Hon. the Speaker: With leave, next sitting?

Hon. Mr. Roebuck: I never ask for leave unless it is necessary, and I must give two days' notice.

The Hon. the Speaker: Shall these bills be read the second time Tuesday next?

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Order in Council P.C. 1962-371, dated March 22, 1962, amending Order in Council P.C. 1954-1976 of December 16,

1954, as amended, by substituting a new rule number 53 of the Bankruptcy Rules, pursuant to section 166(2) of the Bankruptcy Act, chapter 14, R.S.C. 1952. (English and French texts).

Report of Eldorado Mining and Refining Limited and Subsidiaries, Eldorado Aviation Limited and Northern Transportation Company Limited, including its accounts and financial statements certified by the Auditor General, for the year ended December 31, 1961, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 241 to 276, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

EASTER RECESS

INQUIRY

Hon. Jean-François Pouliot: Honourable senators, as we are approaching Easter, would it be possible to know when the house will adjourn for the Easter recess, in order that the senators will be able to make their reservations to go home?

Hon. Mr. Hnatyshyn: That is a good question.

Hon. Mr. Aseltine: No comment.

THE LATE SENATOR WILSON

INQUIRY AS TO INSCRIPTION ON MARBLE STATUE

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, as this house seems to be in a happy disposition, I compliment the Government for its expeditious answer to the question put by the honourable senator from Sorel (Hon. Mrs. Jodoin) concerning an appropriate inscription on the marble statue of the late Senator Wilson. Some day I might put on record the inscription which was made according to the instructions of the Prime Minister.

I have something else to add, which is not what you would expect me to say. It is that I distinctly remember that when the late Honourable Cairine Wilson was appointed to the Senate she gave some small Australian pines to the Government of Canada to plant on both sides of the main stone steps in front of this building. It was a personal gift to her country, to show her appreciation of her appointment to the Senate. No one seems to remember that gesture, and now that those pines have grown up I take the liberty of reminding honourable senators that the memory of the late Senator Wilson is perpetuated in many different ways in this capital city of Ottawa for which she has done so much.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (*a*) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from anyone to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the

Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, I have another question I wish to ask. I wonder if some or all provincial attorneys general in Canada have prayed the Government to delay for as long as possible the answer to the question which is on the Order Paper in my name.

The Hon. the Speaker: Is it "paid" or "prayed"?

Hon. Mr. Pouliot: "Prayed," "supplicated," "begged." There are many synonyms, all of which seem to be appropriate.

CANADIAN WHEAT BOARD ACT

BILL TO AMEND—THIRD READING

Hon. John Hnatyshyn moved the third reading of Bill C-75, to amend the Canadian Wheat Board Act.

Motion agreed to and bill read third time and passed.

JUDGES ACT

BILL TO AMEND—THIRD READING

Hon. Walter M. Aseltine, for Hon. William R. Brunt, moved the third reading of Bill C-84, to amend the Judges Act.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Walter M. Aseltine: Honourable senators, the usual interim supply bill is at this moment being dealt with in the other place, and it is expected that it will reach this house a little later this afternoon. The bill, which is similar to that usually presented at this time, is to provide supply for April and May. It is quite important that it be dealt with by this house either today or tomorrow. I hope that it can be dealt with here this afternoon or, at the latest, this evening in order that it may be given royal assent.

Therefore, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell a little later this afternoon.

The Senate adjourned during pleasure.

At 4.20 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 3, 1962

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-85, for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1963.

Bill read first time.

SECOND READING

Hon. Walter M. Aseltine, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the purpose of this bill is to provide interim supply for the months of April and May, 1962. The bill is in the form recommended by the Senate, and which has been used in previous years. It sets out in clause 2 exactly what votes are dealt with and the amounts of each. Honourable senators will note that in no case is the total amount of any item being released by this bill.

The bill provides for one-sixth of all the items set out in the estimates for the year 1962-63. The one-sixth proportion totals $666,562,659.16.

In addition to the one-sixth of all the items, the bill provides for an additional one-third with respect to three votes, totalling $614,700; an additional one-sixth of four votes, totalling $1,302,483.34; and an additional one-twelfth of three votes, totalling $6,178,683.34. The total amount voted by this bill is $674,658,525.84.

I can give honourable senators information with regard to any of these votes. For example, in connection with Vote 5, having to do with grants for research and investigation with respect to atomic energy, one-third of $770,000 is required because it is usual to pay 50 per cent of the grant to each university early in the fiscal year. Vote 125, for which an additional one-third is being requested, is for the purpose of making advance payments to contractors for air photography which takes place early in the year. Vote 25 is for the purpose of paying expenses of the Royal Commission on Government Organization, including the payment of honoraria or allowances as may be authorized by the Treasury Board to officers, clerks or employees permanently employed in the civil service, for services rendered by them to the commission. The money voted for the commission will be spent, for the most part, in the first four months of the fiscal year namely, April, May, June and July, as all of the work of the commission except the mechanics of printing reports is scheduled for completion by June 30.

I have explained that four votes require an additional one-sixth of the main estimates. Vote 40 and Vote 45 have to do with House of Commons legislation and estimates of the Sergeant-at-Arms during the session. The monthly expenditures exceed one-twelfth for these two items. Vote 125 has to do with the Canadian Government Travel Bureau. The bulk of the advertising placed by the bureau appears in April and May in the magazines and newspapers. The agencies must pay promptly for space in order to get cash discounts.

Vote 190 is an appropriation for one-sixth of $1 million required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1962-63. By its nature, this vote is subjected to heavy expenditures during the early months of the year as projects begun in previous years are completed.

There is an additional one-twelfth in Schedule C of three votes. The National Research Council requires this, since a steady increase in the research awards program in the early months led to more than usual requirements during April and May.

Vote 25 has to do with the taxation division of the Department of National Revenue. April and May constitute the peak period of operations from this vote, as the bulk of the seasonal staff is employed during that time.

Vote 20 has to do with general administration in the Department of Trade and Commerce. Expenditures from this vote are heavier in the early part of the fiscal year because the inspectors of weights and measures, and electricity and gas, cannot travel in the rural areas during the winter months.

Honourable senators, that is a brief explanation of the purposes of this supply bill. As I have already stated, the bill will furnish all of the money required for the public service during the months of April and May 1962. I hope the bill will receive the unanimous approval of the Senate.

Hon. Gordon B. Isnor: Honourable senators are all aware of the short notice we have had to consider these items. The Leader of the Government in the Senate (Hon. Mr. Aseltine) did not tell us the total amount covered by the bill, which runs into a very high figure.

The general public, in recent years, have been very critical about the time spent in the other place in the consideration of estimates. I think it should be carefully pointed out to the public by TV and radio programs that it is almost impossible for the Senate to give adequate consideration to estimates of this size on such short notice. Of course, we know there has been deficit after deficit since this Government has taken office. Every year, without exception, the deficit has been growing, which means a larger debt in Canada. When the former Government was in power matters were quite different: it made a point of reducing the deficit, thus cutting down the interest and lessening the charges against the public by that method.

Hon. Mr. Roebuck: The Government lived within its means.

Hon. Mr. Isnor: Yes. As the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) says, that Government lived within its means. I think that is a very reasonable statement to make.

I feel that the honourable leader (Hon. Mr. Aseltine), having presented four supplementary estimates in various amounts, should have given us more detail in respect to these items. He stated that the first item, 2(a), amounted to over $600 million. That represents a total of more than $3 billion.

Hon. Mr. Aseltine: That is one-sixth of the total estimates that have to be voted.

Hon. Mr. Isnor: You should have given us the total.

Hon. Mr. Aseltine: Honourable senators have had the estimates in their possession for a long time, and it is stated very clearly on page 5 what they are and what they amount to. It shows that they are $5,397,271 less than last year.

Hon. Mr. Isnor: I am very glad the Leader of the Government (Hon. Mr. Aseltine) quoted that figure. I have in my hand a copy of the estimates, and I was going to give that figure and ask him how he reconciles the figure he gave earlier with the total of the estimates. Perhaps he will do that.

I was about to say that the first item represented a gross amount of $3,333,375,354.96. He passed very quickly over paragraph (b) stating that Votes, 5, 125 and 25, in Schedule A amounted to $614,700. I think we could give the country a somewhat better idea of these three items if he said that for the full year they amounted to $1,844,100.

I have only had this memorandum in my hands a few moments and I have had to make some very quick calculations.

Then, when the honourable leader came to paragraph (c) he mentioned Vote 190, Public Works, but he did not tell us the exact amount that was to be spent in the few months ahead. He told us that the total for the three departments amounted to $1,302,483.34. I want to make the point that that amounts to $7,814,900.04 for the full year.

Hon. Mr. Aseltine: What figure are you quoting?

Hon. Mr. Isnor: I am quoting paragraph (c). I am multiplying $1,302,483.34 by six, and the resulting amount is $7,814,900.04.

The honourable leader passed over the vote for Public Works, saying that Vote 190 referred to public works which will be undertaken in the next few months.

As to the last item, paragraph (d), he also passed quickly over it. This includes the amount to be voted for the Department of Trade and Commerce. We would like to know the amount proposed to be spent by that department, and a little more detail as to how it is to be spent in advancing the trade and commerce of this country.

Then the all-important item is described as the usual authority to borrow up to $1 billion for public works and general purposes.

I think we are all pretty familiar with the procedure followed by this Government in voting large amounts for public works, particularly at this time. I will not be so unkind as to say this $1 billion is perhaps to be used for election purposes. No doubt some of it will be used to good advantage in different parts of the country, to carry on needed repairs to breakwaters and so on. But a billion dollars is a lot of money, and we should be given more detail as to what the Government proposes to do in the next two, three or possibly more months. The Prime Minister has said that the next election is to take place soon, but he is very careful not to say how soon. I am wondering if $1 billion is all that will be required for public works, or whether there will be another $1 billion or $2 billion spent on public works, perhaps to create more votes for the present Government.

However, I am particularly concerned about that item regarding the Department of Trade and Commerce, for that is an expenditure which, if properly invested, can make a return of our country instead of being charged as a deficit.

Honourable senators, I make these few brief remarks at this time, having had the estimates in my hand for only a matter of minutes. May I ask the Leader of the Government if he would be good enough to comment on some of the points I have made, and to reply to the questions I have asked. He might try to reconcile the total of the four items, contained in clause 2 (a), (b), (c) and (d), by multiplying them by the various factors, to see how the result compares with the estimates to which he referred on page 4.

Hon. Mr. Aseltine: The total amount to be voted in the general estimates, including loans, investments and advances, is $3,999,375,955. Honourable senators who have their estimates for 1962-63 before them will find these figures in the first column. If you divide that total which I have just given by six you will find it amounts to $666,562,659.16, which is the amount asked for in this bill. As I have already stated, it is one-sixth of the total amount required. I think that answers one of the questions the honourable senator asked.

Hon. Mr. Isnor: Would you carry out the same procedure with respect to paragraph (b), make a comparison, and see how it works out?

Hon. Mr. Aseltine: To what (b) are you referring?

Hon. Mr. Isnor: To clause 2 (b) of the bill you have before you, which you introduced for first reading today.

Hon. Mr. Aseltine: I have just explained clause 2 (a). Now the honourable senator asks me to explain how the additional one-third of the total amount of the several items in the main estimates is made up. Is that the question? I have that information here. It is $614,700, being one-third of $1,844,100, which is the total amount of these three votes, Nos. 5, 125 and 25.

I thought that I had explained briefly the purpose for which one-third of those votes was required. Vote No. 5 deals with atomic energy. I explained that it was usual to pay 50 per cent of the grant to the universities early in the fiscal year. Vote No. 125 relates to Mines and Technical Surveys. Vote No. 25 relates to the Privy Council, and I read virtually all of the explanation for that vote.

In regard to clause 2(c), honourable senators will note that it provides for an additional one-sixth of four votes. Votes 40 and 45 relate to the House of Commons. I explained that during the early months of this session the expenditures were greater than in later months. Vote No. 125 is for the Canadian Government Travel Bureau, which is a branch of Northern Affairs and National Resources. The bulk of the advertising there is done early in the year. I went on then to deal with Public Works, and I thought I gave an explanation as to why one-sixth of that vote was required.

Hon. Mr. Isnor: What does one-sixth of Vote 190 amount to?

Hon. Mr. Aseltine: It is one-sixth of $1 million. I have not divided it, but I have divided the total.

Hon. Mr. Isnor: What is the total?

Hon. Mr. Aseltine: The total of those four votes is $7,814,900. If you divide that by six, you get $1,302,483.34.

Hon. Mr. Isnor: That is right. I am asking about the amount for Public Works, Vote 190. I should like to know a little more about that.

Hon. Mr. Aseltine: One-sixth of $1 million. With regard to the $1 billion authorization, the supply bill contains each year new authority to borrow money for public works and general purposes of the Government by the issue of Canada savings and other bonds and treasury bills.

The authority granted by Parliament in recent years for these purposes was as follows:

1956-57	$1.5 billion
1957-58	$1 billion
1958-59	$2 billion
1959-60	$1.5 billion
1960-61	$1.5 billion
1961-62	$2 billion

What is requested by this bill for 1962-63 is authority to borrow up to $1 billion for the purposes I have mentioned.

Hon. Mr. Isnor: The $1 million is the amount in Vote 190? Am I right that it is Vote 190, plus $1 billion?

Hon. Mr. Aseltine: What I have just referred to has nothing to do with the $1 million in Vote 190.

Hon. Mr. Isnor: It certainly has because it is in the bill. There are certain proportions voted, in one case one-third and in another case one-sixth.

Hon. Mr. Aseltine: In an endeavour to answer your question, I was explaining why it was necessary to borrow $1 billion for public works and general purposes. I gave you the amounts that were voted in previous years from 1956-57 to 1961-62. I stated that what is asked for by this bill is authority to borrow $1 billion for those purposes. That has nothing to do with Vote 190.

Hon. Mr. Isnor: It is for public works. It is the same. You are now asking for $1 billion for immediate works.

Hon. Mr. Aseltine: $1 million.

Hon. Mr. Isnor: No, $1 billion.

Hon. Mr. Aseltine: I am asking for one-sixth of $1 million.

Hon. Mr. Isnor: The paper that I hold in my hand reads:

> ...and the usual authority to borrow up to $1 billion for public works and general purposes.

Hon. Mr. Aseltine: Yes.

Hon. Mr. Isnor: That is not a sixth and it is not a twelfth.

Hon. Mr. Aseltine: That has to do with the annual savings bond issue in November. I gave you the amounts for the last six years.

Hon. Mr. Isnor: It states that it is for public works. That is what I am trying to impress upon the honourable Leader of the Government.

Hon. Mr. Aseltine: Let me read what Vote 190 is for.

Hon. Mr. Isnor: I am not now talking about Vote 190.

Hon. Mr. Aseltine: Vote 190 is for the purpose of paying the balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1962-63. By its nature this vote is subjected to heavy expenditures during the early months of the year as projects begun in previous years are completed. For that purpose it is only one-sixth of $1 million that is requested. This has nothing to do with the $1 billion which relates to the issue of Canada Savings Bonds.

Hon. Mr. Isnor: I am afraid I have not made my question clear to the honourable Leader of the Government, although some of my colleagues around me say they understand it. I am dealing with the last item, the typewritten part, which reads:

> ...and the usual authority to borrow up to $1 billion for public works and general purposes.

I am not dealing with Vote 190 at all. That was dealt with earlier. This $1 billion is for public works.

Hon. Mr. Aseltine: My information is that in accordance with the practice of the past several years, authority to borrow $1 billion is requested in the first interim supply bill. In 1961-62, as I explained, $2 billion had been authorized for the issue of Canada Savings Bonds, other bonds and treasury bills. This legislation authorizes the Government to borrow $1 billion. That is the only explanation I can give.

Hon. Mr. Isnor: I have to be satisfied with the explanation, such as it is. I do not wish to be impolite but I had hoped that the honourable leader would have told us something about public works projects which, as a rule, are carried on in the summer months, and this money is being voted, as I understand it, for the months of April and May.

Hon. W. Ross Macdonald: Honourable senators, the honourable gentleman from Halifax-Dartmouth (Hon. Mr. Isnor) has asked very pertinent questions which focus attention on just what is contained in this bill. Referring to the last matter he raised, approval is asked

in this bill for the borrowing of $1 billion for public works and general purposes. The honourable Leader of the Government (Hon. Mr. Aseltine) says that this money is to be used in part to enable the Government to sell Canada Savings Bonds. I cannot understand why in April the Government should ask for power to sell Canada Savings Bonds when the bonds do not go on the market until next October. Probably the honourable leader could explain why the Government is asking in April for authority to enable it to borrow money next fall by means of Canada Savings Bonds.

Hon. Mr. Aseltine: And treasury bills.

Hon. Mr. Macdonald (Brantford): There may be something else to it, but it does make one a little suspicious when one hears so much about a possible general election and the Leader of the Government is asking for authority to borrow $1 billion for public works and so on.

Hon. Mr. Aseltine: $1 million.

Hon. Mr. Macdonald (Brantford): As I understand it, this $1 billion is required for public works and general purposes. Let me just read Vote 190 under the item Public Works in Schedule B:

> Balances required to complete any projects undertaken in previous fiscal years and for which no specific provision is made in the fiscal year 1962-63.

Now, by the first clause of the bill the Government asks for one-sixth of that amount. In a later clause it asks for an additional one-sixth. I do not want to be too suspicious, but it does appear strange to me that first they ask for $1 million in all, and then for authority to spend—

Hon. Mr. Aseltine: They are asking for an additional one-sixth of $1 million.

Hon. Mr. Macdonald (Brantford): Oh, no. They ask for one-sixth, and then they ask for another one-sixth.

Hon. Mr. Aseltine: That is two-sixths altogether.

Hon. Mr. Macdonald (Brantford): That is right. Now my friend is answering my question. Two-sixths is one-third. They want one-third of this amount, for some reason or other, to be spent during the next two months. I do not think we have had an adequate explanation. However, we can come to our own conclusions. I do not think the Government has asked in previous supply bills for one-third of an item for public works to be spent in two months. I will not press that any further, but I am wondering why it is being done.

I want to ask the Leader of the Government (Hon. Mr. Aseltine) about another item which the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) raised. I refer to paragraph (c) of clause 2. The leader was kind enough to hand this to me. I refer to Votes 40 and 45 under Legislation, found on page 4 of the bill. I notice that the estimates of the Sergeant-at-Arms in the other place amount to $1,056,800. Under the general bill the Sergeant-at-Arms is voted one-sixth, so that he can carry on the work required to be done in connection with administration of the House of Commons during the next two months. Similarly, our Clerk and Gentleman Usher of the Black Rod are voted one-sixth, but for some reason or other the House of Commons administration is voted an additional one-sixth. If they need an additional one-sixth over there, I cannot understand why we do not need it here. I do not suggest there is anything wrong about it, but it seems strange that they should ask for an additional one-sixth and we do not ask for it. It may be on account of the skilful and efficient administration we receive here at the hands of our Clerk and the Gentleman Usher of the Black Rod that we do not need the additional one-sixth.

Hon. A. J. Brooks: Honourable senators, I might say a word in connection with this amount of $1 billion. My understanding has been, and is, that every year $1 billion, or whatever amount is necessary, is authorized to be voted for the purpose of carrying on public works, as set out in the Public Accounts. If you will review the Public Accounts you will find that about $1 billion is estimated for public works during the year. This is early in the year, and the Government has not yet collected sufficient taxes for these purposes. It has been the practice to issue treasury bills, and so on, for the payment of this and other work which is carried on during the year.

That is the reason for the request that is now being made for authority to borrow $1 billion.

Hon. Mr. Macdonald (Brantford): Canada Savings Bonds are not sold until the fall.

Hon. Mr. Aseltine: Honourable senators, I would like to give a further explanation. Borrowing authority is not an expenditure authority. It is exactly the opposite. It is for the purpose of allowing the Government to finance, as required, all of its operations throughout the year.

Hon. Mr. Brooks: Certainly, that is the idea; it is done every year.

Hon. Mr. Aseltine: For example, it is to make sure that the Consolidated Revenue Fund is in a position to meet the charges on it from time to time, to float any loans that are necessary, and to redeem bond issues which come due. Canada Savings Bonds are sold in the fall, but planning arrangements for the campaign, and printing of the bonds, etc., proceed many months ahead of the selling period. This bill is intended to give borrowing authority before the Government starts on that work.

Hon. Mr. Macdonald (Brantford): It is well in advance.

Motion agreed to, and bill read second time.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. Mr. Macdonald (Brantford): May I ask the honourable Leader of the Government if there is any urgency requiring that the bill be read the third time now?

Hon. Mr. Aseltine: Honourable senators, I have been advised that there are certain sums of money which have to be paid out between now and the end of the month, and if the cheques are not prepared for mailing the people who are looking for the money will not receive it by the end of the month. I was hoping to have the bill read the third time now so that we could have royal assent this afternoon.

Hon. Mr. Macdonald (Brantford): That is the information I wanted. I did not know that we were having royal assent this afternoon. Of course if we are to have royal assent this afternoon, I would approve of third reading now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

5th April 1962

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate Chamber today, the 5th April, 1962, at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act to incorporate Evangelical Mennonite Mission Conference.

An Act respecting The Governing Council of The Salvation Army, Canada East, and The Governing Council of The Salvation Army, Canada West.

An Act to incorporate Polaris Pipe Lines.

An Act to amend the Canadian Wheat Board Act.

An Act to amend the Judges Act.

An Act respecting The United Church.

An Act respecting Canadian Pacific Railway Company and certain wholly owned subsidiaries.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy Governor General was pleased to retire.

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to motions:

Hon. Arthur M. Pearson: Honourable senators, in the absence of the Honourable the Leader of the Government (Hon. Mr. Aseltine), I move, with leave, that when the Senate adjourns today it do stand adjourned until Tuesday, April 10, 1962, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, April 10, at 8 p.m.

THE SENATE

Tuesday, April 10, 1962

The Senate met at 8 p.m., the Speaker in the Chair.

Prayers.

CORPORATIONS AND LABOUR UNIONS RETURNS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

Bill read first time.

Hon. Mr. Aseltine moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

REPRESENTATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-44, to amend the Representation Act (Halifax Electoral District).

Bill read first time.

Hon. Fred M. Blois moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

REPRESENTATION ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-46, to amend the Representation Act.

Bill read first time.

The Hon. the Speaker: Ordered that this bill be placed on the Orders of the Day for second reading at the next sitting, *ex officio*.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report intituled: "Canada and the United Nations, 1960". (English and French texts).

Report on the operations of the Exchange Fund Account for the year ended December 31, 1961, together with the report of the Auditor General on the audit of the said account, pursuant to sections 26 and 27(2) of the Currency, Mint and Exchange Fund Act, chapter 315, R.S.C. 1952. (English text).

Report on administration of the Members of Parliament Retiring Allowances Act for the year ended March 31, 1962, pursuant to Section 18 of the said act, chapter 329, R.S.C. 1952. (English and French texts).

Budget Papers, 1962-63 (English and French texts)—

Part I—Economic Review of 1961.

Part II—Preliminary Review of Government Accounts 1961-1962.

International Wheat Agreement, 1962, as adopted at the final plenary session, United Nations Wheat Conference, held at Geneva on 10th March, 1962, to be opened for signature at Washington, D.C., on 19th April, 1962. (English text).

INTERNATIONAL WHEAT AGREEMENT

Hon. Mr. Aseltine: Honourable senators, in connection with the last document just tabled, with leave of the Senate I move, seconded by the Honourable W. Ross Macdonald, P.C., that the International Wheat Agreement to be opened for signature at Washington, D.C., on April 19, 1962, tabled this day, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this date, and form part of the permanent records of this house.

Motion agreed to.

For text of agreement see appendix, pp. 467-486.

[*Later:*]

On the Order for Notices of Motions:

Hon. W. Ross Macdonald: I understand that the Leader of the Government (Hon. Mr. Aseltine) has tabled a copy of the International Wheat Agreement and that it is to appear in the Senate *Hansard* and in the *Minutes of the Proceedings*. Is it the intention of the Government to have the agreement ratified by both houses and, if so, when is it likely to come up?

Hon. Mr. Aseltine: Honourable senators, I give notice that on Wednesday next, April 11, 1962 I will move:

That it is expedient that the houses of Parliament do approve the International Wheat Agreement to be opened for signature at Washington, D.C., on April 19, 1962, and that this house do approve the same.

I understand that a similar motion is being made or has been made in the other place today.

KING'S COUNSEL AND QUEEN'S COUNSEL

NOTICE OF INQUIRY AS TO FEDERAL APPOINTMENTS

Hon. Jean-François Pouliot: Honourable senators, I have read in an important daily, dated April 6, that a Nova Scotia lawyer was the fortieth federal Queen's Counsel appointed since Confederation. Therefore, I give notice of the following inquiry for Thursday, April 12:

1. Who are the lawyers and judges who have been appointed King's Counsels or Queen's Counsels by the Government of Canada since Confederation?

2. When was each one appointed?

If there were only forty, the answer will be easy to give.

SHIPPING

INQUIRY AS TO GROUNDINGS AND COLLISIONS—ST. LAWRENCE SEAWAY AND HALIFAX HARBOUR

On the Notice of Inquiry by Hon. Mr. Isnor:

That he will inquire of the Government:

1. How many groundings of ships took place in the St. Lawrence Seaway operations during the season of 1960-61?

2. How many groundings of ships took place in the Port of Halifax during the season of 1960-61?

3. How many collisions were in pilotage waters throughout the same period in

(a) The St. Lawrence Seaway; and

(b) Halifax Harbour?

Hon. Gordon B. Isnor: May I put a very simple question to the Honourable Leader of the Government (Hon. Mr. Aseltine) with respect to Inquiry No. 2. of which I gave notice on March 27? What is the reason for the delay, and when may I expect an answer?

Hon. Mr. Aseltine: I am sorry to have to advise the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) that up to the present moment I have been unable to get the answer. I have been expecting it each day. I have made inquiry every day, and that is all I have been able to do. I shall inquire again tomorrow morning, and shall do my very best to get an answer for the honourable senator some time this week.

Hon. Mr. Isnor: Thank you.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from anyone to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said

Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, I do not wish to delay the deliberations of the Senate unduly. However, Inquiry No. 1 has been on the Order Paper since March 22 and if I have no answer tomorrow I will be obliged to make some precise statements in order to make the answer easier.

The expected answer to the inquiry is: 1. Nobody; 2. Answered by No. 1; 3. Nobody; 4. Answered by No. 3. That is the answer I expect, but I would like it from an official source, for then I will be in a position to elaborate on the matter to the satisfaction of honourable senators.

Hon. Mr. Aseltine: The honourable senator from De la Durantaye (Hon. Mr. Pouliot) is better informed than I am. What I said a few moments ago about the inquiry of the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) applies equally to this inquiry.

Hon. Mr. Pouliot: I know very well that my honourable friend is doing his utmost to obtain an answer, and I would like to help him so that the file may be closed.

The Hon. the Speaker: Do I understand that the honourable senator already knows the answer?

Hon. Mr. Pouliot: I am guessing. I never ask a question before guessing what the answer will be.

DIVORCE

BILLS—SECOND READING

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-190, for the relief of Elizabeth Anne Kotania.

Bill SD-191, for the relief of Hyman Omri Tannenbaum.

Bill SD-192, for the relief of Rosa Jacobson.

Bill SD-193, for the relief of Stephen Alexander Lantos.

Bill SD-194, for the relief of Frank Hamilton Mingie, junior.

Bill SD-195, for the relief of Frieda Lina Schaub.

Bill SD-196, for the relief of Alma Ivy Bankley.

Bill SD-197, for the relief of Colleen Ann Kenny.

Bill SD-198, for the relief of Phyllis Carol Johnston.

Bill SD-199, for the relief of Leonard Emond.

Bill SD-200, for the relief of Edith Rozel McDougall.

Bill SD-201, for the relief of Kenneth Allen Blight.

Bill SD-202, for the relief of Ellen Chase McKellar.

Bill SD-203, for the relief of Mona Pozza.

Bill SD-204, for the relief of John Faucher.

Bill SD-205, for the relief of Violet Pearl St. James Lemoine.

Bill SD-206, for the relief of Ann Marguerite MacDonald.

Bill SD-207, for the relief of Eva Florence Plaskett.

Bill SD-208, for the relief of Karl Heinz Kerlikowsky.

Bill SD-209, for the relief of Hilda Desjardins.

Bill SD-210, for the relief of Sandra Mary Louise Martin.

Bill SD-211, for the relief of Mary Iris Fournier.

Bill SD-212, for the relief of Rosemary Louise Eakins.

Bill SD-213, for the relief of Phyllis Manoah.

Bill SD-214, for the relief of Jean Elizabeth O'Reilly.

Bill SD-215, for the relief of Maureen Mary Piercey.

Bill SD-216, for the relief of Josephine Mary Croll.

Bill SD-217, for the relief of Milton Lawrence Trickey.

Bill SD-218, for the relief of William John Loke.

Bill SD-219, for the relief of Anita Guido Knezevic.

Bill SD-220, for the relief of Shirley Brimacombe.

Bill SD-221, for the relief of Betty O'Neil.

Bill SD-222, for the relief of Rebecca Rosenstrauss.

Bill SD-223, for the relief of Paulyne Leblanc.

Bill SD-224, for the relief of Marie Joan Patricia Jeffries.

Bill SD-225, for the relief of Isadore Rosenblatt.

Bill SD-226, for the relief of Alice Elizabeth Clarke.

Bill SD-227, for the relief of Armando Argentini.

Bill SD-228, for the relief of Molly Sacks.

Bill SD-229, for the relief of Millicent Vera Seagrove.

Bill SD-230, for the relief of Joseph Jean Paul Fernand Blanchette.

Hon. Jean-François Pouliot: Honourable senators, I do not want to press the matter because the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is not here, and there will be other divorce cases coming

before us. However, I am very much concerned about what has appeared in the press with respect to conversations that have taken place with some other parliamentarians about changing the procedure with regard to divorce petitions. I am not now asking the question of the honourable senator from Medicine Hat (Hon. Mr. Gershaw), for whom I have great respect, but I want to know what is going on. I give notice that I will ask the question at the first possible opportunity, so that the whole matter may be elucidated and we will know where we stand with respect to divorce bills and what will happen to these bills when they go to the other place.

Hon. Mr. Gershaw: Honourable senators, divorce cases are referred to the Standing Committee on Divorce, and the committee feels it has an obligation to hear the evidence and make a recommendation in each case. It cannot endeavour to predict what is going to happen to the bills but, as I say, its duty is to carry on and deal with each case that comes before it.

Hon. Mr. Pouliot: Honourable senators, I have great respect for the honourable senator from Medicine Hat, but I want the Senate to understand my point of view. I appreciate the work that the Standing Committee on Divorce is doing. The work is hard and painstaking, as I have said repeatedly in this chamber. However, I do want to know what will happen to these bills, and I will ask the question when the matter comes again before the Senate.

Motion agreed to and bills read second time, on division.

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Gershaw for Hon. Mr. Roebuck, moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 241 to 276, which were presented Thursday, April 5.

On motion of Hon. Mr. Gershaw for Hon. Mr. Roebuck, reports adopted.

BUDGET ADDRESS

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, as you will no doubt want to go into the gallery of the House of Commons to hear the Budget address of the Honourable Mr. Fleming, Minister of Finance, I move that the Senate do now adjourn.

Hon. Mr. Macdonald (Brantford): Do you think he has finished his speech yet?

Hon. Mr. Brunt: No; I can guarantee that.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

INTERNATIONAL WHEAT AGREEMENT, 1962

As adopted at the final Plenary Session, United Nations Wheat Conference, held at Geneva on 10th March, 1962.

To be opened for signature at Washington D.C., on 19th April, 1962.

The Governments signatory to this Agreement,

Considering that the International Wheat Agreement, 1949 was revised and renewed in 1953, 1956 and 1959, and

Considering that the International Wheat Agreement, 1959 expires on 31 July 1962 and that it is desirable to conclude a new Agreement for a further period,

Have agreed as follows:

PART I.—GENERAL

ARTICLE 1

Objectives

The objectives of this Agreement are:

(a) To assure supplies of wheat and wheat-flour to importing countries and markets for wheat and wheat-flour to exporting countries at equitable and stable prices;

(b) To promote the expansion of the international trade in wheat and wheat-flour and to secure the freest possible flow of this trade in the interests of both exporting and importing countries, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;

(c) To overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat;

(d) To encourage the use and consumption of wheat and wheat-flour generally, and in particular in developing countries, so as to improve health and nutrition in those countries and thus to assist in their development; and

(e) In general to further international co-operation in connexion with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

ARTICLE 2

Definitions

(1) For the purposes of this Agreement:

(a) "Advisory Committee on Price Equivalents" means the Committee established under Article 31;

(b) "Balance of Commitment" means the amount of wheat which an exporting country is obliged to make available at not greater than the maximum price under Article 5, that is, the amount by which its datum quantity with respect to importing countries exceeds the actual commercial purchases from it by those countries in the crop year at the relevant time;

(c) "Balance of Entitlement" means the amount of wheat which an importing country is entitled to purchase at not greater than the maximum price under Article 5; that is, the amount by which its datum quantity with respect to the exporting country or countries concerned, as the context requires, exceeds its actual commercial purchases from those countries in the crop year at the relevant time;

(d) "Bushel" means sixty pounds avoirdupois or 27.2155.. kilogrammes;

(e) "Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat;

(f) "Certified seed wheat" means wheat which has been officially certified according to the custom of the country of origin and which conforms to recognized specification standards for seed wheat in that country;

(g) "C. & f." means cost and freight;

(h) "Council" means the International Wheat Council established by the International Wheat Agreement, 1949 and continued in being by Article 25;

(i) "Crop year" means the period from 1 August to 31 July;

(j) "Datum quantity" means:

(i) In the case of an exporting country the average annual commercial purchases from

that country by importing countries during the years determined under Article 15;

(ii) In the case of an importing country the average annual commercial purchases from exporting countries or from a particular exporting country, as the context requires, during the years determined under Article 15;

(k) "Executive Committee" means the Committee established under Article 30;

(l) "Exporting country" means, as the context requires, either:

(i) the Government of a country listed in Annex B which has accepted or acceded to this Agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

(m) "F.a.q." means fair average quality;

(n) "F.o.b." means free on board ocean vessel or sea-going vessel, as the case may be, and in the case of French wheat delivered at a Rhine port, free on board river craft;

(o) "Importing country" means, as the context requires, either:

(i) the Government of a country listed in Annex C which has accepted or acceded to this Agreement and has not withdrawn therefrom; or

(ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply;

(p) "Marketing costs" means all usual charges incurred in marketing, chartering, and forwarding;

(q) "Maximum price" means the maximum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(r) "Maximum price declaration" means a declaration made in accordance with Article 13;

(s) "Metric ton", or 1,000 kilogrammes, means 36.74371 bushels;

(t) "Minimum price" means the minimum prices specified in or determined under Articles 6 or 7 or one of those prices, as the context requires;

(u) "Price range" means prices between the minimum and maximum prices specified in or determined under Articles 6 or 7, including the minimum prices but excluding the maximum prices;

(v) "Purchase" means a purchase for import of wheat exported or to be exported from an exporting country or from other than an exporting country, as the case may be, or the quantity of such wheat so purchased, as the context requires. Where reference is made in this Agreement to a purchase, it shall be understood to refer not only to purchases concluded between the Governments concerned but also to purchases concluded between private traders and to purchases concluded between a private trader and the Government concerned. In this definition "Government" shall be deemed to include the Government of any territory in respect of which the rights and obligations of any Government accepting or acceding to this Agreement apply under Article 37;

(w) "Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article 37;

(x) "Wheat" includes wheat grain of any description, class, type, grade or quality and, except in Article 6, wheat-flour.

(2) All calculations of the wheat equivalent of purchases of wheat-flour shall be made on the basis of the rate of extraction indicated by the contract between the buyer and the seller. If no such rate is indicated, seventy-two units by weight of wheat-flour shall, for the purpose of such calculations, be deemed to be equivalent to one hundred units by weight of wheat grain unless the Council decides otherwise.

ARTICLE 3

Commercial Purchases and Special Transactions

(1) A commercial purchase for the purposes of this Agreement is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph (2) of this Article.

(2) A special transaction for the purposes of this Agreement is one which, whether or not within the price range, includes features introduced by the Government of a country concerned which do not conform with usual commercial practices. Special transactions include the following:

(a) Sales on credit in which, as a result of government intervention, the interest rate, period of payment, or other related terms do not conform with the commercial rates, periods or terms prevailing in the world market;

(b) Sales in which the funds for the purchase of wheat are obtained under a loan from the government of the exporting country tied to the purchase of wheat;

(c) Sales for currency of the importing country which is not transferable or convertible into currency or goods for use in the exporting country;

(d) Sales under trade agreements with special payments arrangements which include clearing accounts for settling credit balances bilaterally through the exchange of goods, except where the exporting country and the importing country concerned agree that the sale shall be regarded as commercial;

(e) Barter transactions

(i) which result from the intervention of governments where wheat is exchanged at other than prevailing world prices, or

(ii) which involve sponsorship under a government purchase programme, except where the purchase of wheat results from a barter transaction in which the country of final destination was not named in the original barter contract;

(f) A gift of wheat or a purchase of wheat out of a monetary grant by the exporting country made for that specific purpose;

(g) Any other categories of transactions that include features introduced by the Government of a country concerned which do not conform with usual commercial practices, as the Council may prescribe.

(3) Any question raised by the Executive Secretary or by any exporting or importing country as to whether a transaction is a commercial purchase as defined in paragraph (1) of this Article or a special transaction as defined in paragraph (2) of this Article shall be decided by the Council.

PART II.—RIGHTS AND OBLIGATIONS

ARTICLE 4

Purchases within the Price Range

(1) Each importing country undertakes that not less than the percentage specified for that country in Annex A of its total commercial purchases of wheat in any crop year shall be purchased from exporting countries at prices within the price range and that any additional commercial purchases of wheat from exporting countries shall also be at prices within the price range, except when a maximum price declaration is in effect in respect to any exporting country in which case the provisions of Article 5 shall apply.

(2) Exporting countries undertake, in association with one another, that wheat from their countries shall be made available for purchase by importing countries in any crop year at prices within the price range in quantities sufficient to satisfy the commercial requirements of those countries, except when a maximum price declaration is in effect in respect to an exporting country, in which case the provision of Article 5 shall apply to that country.

(3) For the purposes of this Agreement, except as provided in Article 5, any wheat purchased from an importing country by a second importing country which originated during that crop year from an exporting country shall be deemed to have been purchased from that exporting country by the second importing country. Subject to the provisions of Article 19, this paragraph shall apply to wheat-flour only if the wheat-flour originated from the exporting country concerned.

ARTICLE 5

Purchases at the Maximum Price

(1) If the Council makes a maximum price declaration in respect of an exporting country, that country shall make available for purchase by importing countries at not greater than the maximum price its balance of commitments towards those countries to the extent that the balance of entitlement of any importing country with respect to all exporting countries is not exceeded.

(2) If the Council makes a maximum price declaration in respect to all exporting countries, each importing country shall be entitled, while the declaration is in effect,

(a) To purchase from exporting countries at prices not greater than the maximum price its balance of entitlement with respect to all exporting countries; and

(b) To purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4.

(3) If the Council makes a maximum price declaration in respect of one or more exporting countries, but not all of them, each importing country shall be entitled while the declaration is in effect,

(a) To make purchases under paragraph (1) of this Article from such one or more exporting countries and to purchase the balance of its commercial requirements within the price range from the other exporting countries, and

(b) To purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4 to the extent of its balance of entitlement with respect to such one or more exporting countries as at the effective date of the declaration, provided such balance is not larger than its balance of entitlement with respect to all exporting countries.

(4) Purchases by any importing country from an exporting country in excess of the balance of entitlement of that importing country with respect to all exporting countries shall not reduce the obligation of that exporting country under this Article. The

provisions of paragraph (3) of Article 4 shall apply also to this Article provided the balance of entitlement of any importing country with respect to all exporting countries is not thereby exceeded.

(5) In determining whether it has fulfilled its required percentage under paragraph (1) of Article 4, purchases made by any importing country while a maximum price declaration is in effect, subject to the limitations in paragraphs (2) (b) and (3) (b) of this Article,

(a) shall be taken into account if those purchases were made from any exporting country, including an exporting country in respect of which the declaration was made, and

(b) shall be entirely disregarded if those purchases were made from a country other than an exporting country.

ARTICLE 6

Prices of Wheat

(1)—(a) The basic minimum and maximum prices for the duration of this Agreement shall be:

Minimum	$1.62½
Maximum	$2.02½

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at 1 March 1949, for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

(b) Durum wheat and certified seed wheat are excluded from the provisions relating to maximum prices.

(c) Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold.

(2) The equivalent maximum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article;

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates;

(c) Argentine wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Argentine currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(d) f.a.q. Australian wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Australian currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(e) French wheat on sample or on description f.o.b. French ports or at the French border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(f) Italian wheat on sample or on description f.o.b. Italian ports or at the Italian border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(g) (i) Mexican wheat on sample or on description f.o.b. Mexican Gulf ports or at the Mexican border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference

in quality as may be agreed between the exporting country and the importing country concerned;

(ii) Mexican wheat on sample or on description in store Mexican Pacific ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Mexican currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(h) Spanish wheat on sample or on description f.o.b. Spanish ports or at the Spanish border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(i) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(j) No. 1 Heavy Dark Northern Spring wheat in store Duluth/Superior shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(k) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the United Kingdom of Great Britain and Northern Ireland of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(l) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(m) Soviet South Winter wheat f.o.b. Black Sea Ports or Baltic Ports or at USSR border (whichever is applicable) shall be the price equivalent to the c. and f. price in the country of destination for the maximum price of No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(3) The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f.o.b. Vancouver,

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba,

(c) Argentine wheat f.o.b. Argentina,

(d) f.a.q. wheat f.o.b. Australia,

(e) Mexican wheat on sample or on description f.o.b. Mexican ports, or at the Mexican border (whichever is applicable),

(f) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America, and

(g) No. 1 Soft White wheat or No. 1 Hard Winter wheat f.o.b. Pacific ports of the United States of America,

(h) Soviet South Winter wheat f.o.b. Black Sea Ports or Baltic Ports or at USSR border (whichever is applicable),
shall be respectively:

the f.o.b. price Vancouver, Port Churchill, Argentina, Australia, Mexican ports, United States of America Gulf/Atlantic ports, United States of America Pacific ports and the Black Sea ports and Baltic ports of the Union of Soviet Socialist Republics equivalent to the c. and f. price in the United Kingdom of Great Britain and Northern Ireland of the Minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port

Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(i) No. 1 Heavy Dark Northern Spring wheat in store Duluth/Superior shall be the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting and the importing country concerned.

(j) French wheat on sample or on description f.o.b. French ports, or at the French border (whichever is applicable),

(k) Italian wheat on sample or on description f.o.b. Italian ports, or at the Italian border (whichever is applicable),

(l) Spanish wheat on sample or on description f.o.b. Spanish ports, or at the Spanish border (whichever is applicable),

(m) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included,

shall be:

the price equivalent to the c. and f. price in the country of destination, or the c. and f. price at an appropriate port for delivery to the country of destination, of the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(4) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, equivalent maximum and minimum prices shall be determined by references only to the lake and rail movement of wheat from Fort William/Port Arthur to Canadian winter ports.

(5) The Executive Committee may in consultation with the Advisory Committee on Price Equivalents, determine the minimum and maximum price equivalents for wheat at points other than those specified above and may also designate any description, class, type, grade or quality of wheat other than those specified in paragraphs (2) and (3) of this Article and determine the minimum and maximum price equivalents thereof; provided that, in the case of any other wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description, class, type, grade or quality of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other wheat by the addition of an appropriate premium or by the deduction of an appropriate discount.

(6) If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph (2), (3) or (5) of this Article, is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents make such adjustments as it considers desirable.

(7) In establishing equivalent minimum and maximum prices under paragraphs (2), (3), (5) or (6) of this Article and subject to the provisions of Article 16 relating to durum wheat and certified seed wheat, no allowance for difference in quality shall be made which would result in the equivalent minimum and maximum price of any wheat being fixed at a level higher than the basic minimum or maximum price, respectively, specified in paragraph (1).

(8) If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs (5) and (6) of this Article in respect of any description of wheat specified in paragraph (2) or (3) or designated under paragraph (5) the Executive Committee, in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

(9) All decisions of the Executive Committee under paragraphs (5), (6) and (8) of this Article shall be binding on all exporting and importing countries, provided that any of those countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

ARTICLE 7

Prices of Wheat Flour

(1) Commercial purchases of wheat flour will be deemed to be at prices consistent with the prices for wheat specified in or determined under Article 6 unless a statement to the contrary, with supporting information, is received by the Council from any exporting or importing country, in which case the Council shall, with the assistance of any countries concerned, consider the matter and decide whether the price is so consistent.

(2) The Council may in co-operation with any exporting and importing countries carry out studies of the prices of wheat flour in relation to the prices of wheat.

ARTICLE 8

Countries which both Export and Import Wheat

(1) For the duration of this Agreement and for the purposes of its application, a country listed in Annex B shall be regarded as an exporting country and a country listed in Annex C shall be regarded as an importing country.

(2) Any country listed in Annex C which makes wheat available for purchase by any exporting or importing country shall do so at prices consistent with the price range, except in the case of denatured feed wheat, and in making such wheat available for purchase shall avoid taking any action which would be prejudicial to the operation of this Agreement.

(3) Any country listed in Annex B which desires to purchase wheat shall endeavour so far as possible to purchase its requirements from exporting countries at prices within the price range and, in meeting its requirements, to avoid taking any action which would be prejudicial to the operation of this Agreement.

PART III.—ADJUSTMENTS

ARTICLE 9

Adjustment in Case of Short Crop

(1) Any exporting country which fears that it may be prevented by a short crop from carrying out its obligations under this Agreement in respect of a particular crop year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of a part or the whole of its obligations for that crop year. An application made to the Council pursuant to this paragraph shall be heard without delay.

(2) The Council shall, in dealing with a request for relief under this Article, review the exporting country's supply situation and the extent to which the exporting country has observed the principle that it should, to the maximum extent feasible, make wheat available for purchase to meet its obligations under this Agreement.

(3) The Council shall also, in dealing with a request for relief under this Article, have regard to the importance of the exporting country's maintaining the principle stated in paragraph (2) of this Article.

(4) If the Council finds that the country's representations are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The Council shall inform the exporting country of its decision.

(5) If the Council decides that the exporting country shall be relieved of the whole or part of its obligations under Article 5 for the crop year concerned, the Council shall increase the commitments as represented by the datum quantities of the other exporting countries to the extent agreed by each of them. If such increases do not offset the relief granted under paragraph (4) of this Article, it shall reduce by the amount necessary the entitlements, as represented by the datum quantities of the importing countries to the extent agreed by each of them.

(6) If the relief granted under paragraph (4) of this Article cannot be entirely offset by measures taken under paragraph (5), the Council shall reduce pro rata the entitlement as represented by the datum quantities of the importing countries, account being taken of any reductions under paragraph (5).

(7) If the commitment as represented by the datum quantity of an exporting country is reduced under paragraph (4) of this Article, the amount of such reduction shall be regarded for the purpose of establishing its datum quantity and that of all other exporting countries in subsequent crop years as having been purchased from that exporting country in the crop year concerned. In the light of the circumstances, the Council shall determine whether any adjustment shall be made, and if so in what manner, for the purpose of establishing the datum quantities of importing countries in such subsequent crop years as a result of the operation of this paragraph.

(8) If the entitlement as represented by the datum quantity of an importing country is reduced under paragraphs (5) or (6) of this Article to offset the relief granted to an exporting country under paragraph (4), the amount of such reduction shall be regarded as having been purchased in the crop year concerned from that exporting country for the purposes of establishing the datum quantity of that importing country in subsequent crop years.

ARTICLE 10

Adjustment in Case of Necessity to Safeguard Balance of Payments or Monetary Reserves

(1) Any importing country which fears that it may be prevented by the necessity to safeguard its balance of payments or monetary reserves from carrying out its obligations under this Agreement in respect of a particular crop year shall report the matter to the Council at the earliest possible date

and apply to the Council to be relieved of a part or the whole of its obligations for that crop year. An application made to the Council pursuant to this paragraph shall be heard without delay.

(2) If an application is made under paragraph (1) of this Article, the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in paragraph (1).

(3) The Council, shall in dealing with a request for relief under this Article, have regard to the importance of the importing country's maintaining the principle that it should to the maximum extent feasible make purchases to meet its obligations under this Agreement.

(4) If the Council finds that the representations of the importing country concerned are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The Council shall inform the importing country of its decision.

ARTICLE 11

Adjustments and Additional Purchases in Case of Critical Need

(1) If a critical need has arisen or threatens to arise in its territory, an importing country may appeal to the Council for assistance in obtaining supplies of wheat. With a view to relieving the emergency created by the critical need, the Council shall give urgent consideration to the appeal and shall make appropriate recommendations to exporting and importing countries regarding the action to be taken by them.

(2) In deciding what recommendation should be made in respect of an appeal by an importing country under the preceding paragraph, the Council shall have regard to its actual commercial purchases from exporting countries or to the extent of its obligations under Article 4, as may appear appropriate in the circumstances.

(3) No action taken by an exporting or importing country pursuant to a recommendation made under paragraph (1) of this Article shall affect the datum quantity of any exporting or importing country in subsequent crop years.

ARTICLE 12

Other Adjustments

(1) An exporting country may transfer part of its balance of commitment to another exporting country, and an importing country may transfer part of its balance of entitlement to another importing country for a crop year, subject to approval by the Council by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) Any importing country may at any time, by written notification to the Council, increase its percentage undertaking referred to in paragraph (1) of Article 4 and such increase shall become effective from the date of receipt of the notification.

(3) Any importing country which considers that its interests in respect of its percentage undertaking under paragraph (1) of Article 4 and Annex A is seriously prejudiced by the non-participation in or withdrawal from this Agreement of any country listed in Annex B holding not less than five per cent of the votes distributed in Annex B may, by written notification to the Council, apply for a reduction in its percentage undertaking. In such a case, the Council shall reduce that importing country's percentage undertaking by the proportion that its maximum annual commercial purchases during the years determined under Article 15 with respect to the non-participating or withdrawing country bears to its datum quantity with respect to all countries listed in Annex B and shall then further reduce such revised percentage undertaking by subtracting two and one half.

(4) The datum quantity of any country acceding under paragraph 4 of Article 35 shall be offset, if necessary, by appropriate adjustments by way of increase or decrease in the datum quantities of one or more exporting or importing countries, as the case may be. Such adjustments shall not be approved unless each exporting or importing country whose datum quantity is thereby changed has consented.

PART IV.—ADMINISTRATION OF RIGHTS AND OBLIGATIONS

ARTICLE 13

Maximum Price Declarations

(1) As soon as any of its wheat other than durum wheat or certified seed wheat is made available for purchase by importing countries at prices not less than the maximum price, an exporting country shall notify the Council to that effect. On receipt of such notification the Executive Secretary acting on behalf of the Council shall except as otherwise provided in paragraph (4) of this Article and paragraph (4) of Article 16, make a declaration accordingly, referred to in this Agreement as a maximum price declaration. The Executive Secretary shall communicate that maximum price declaration to all exporting and importing countries as soon as possible after it has been made.

(2) As soon as all of its wheat which has been made available at not less than the maximum price, other than durum wheat or certified seed wheat, is again made available for purchase by importing countries at prices less than the maximum price, an exporting country shall notify the Council to that effect. Thereupon, the Executive Secretary, acting on behalf of the Council, shall terminate the maximum price declaration in respect of that country by making a further declaration accordingly. He shall communicate such further declaration to all exporting and importing countries as soon as possible after it has been made.

(3) The Council shall, in its rules of procedure, prescribe regulations to give effect to paragraphs (1) and (2) of this Article, including regulations determining the effective date of any declaration made under this Article.

(4) If at any time in the opinion of the Executive Secretary an exporting country has failed to make a notification under paragraph (1) or (2) of this Article, or has made an incorrect notification, he shall, without prejudice in the latter case to the provisions of paragraph (1) or (2), convene a meeting of the Advisory Committee on Price Equivalents. If at any time in the opinion of the Executive Secretary an exporting country has made a notification under paragraph (1) but the facts relating thereto do not warrant a maximum price declaration, he shall not make such a declaration but shall refer the matter to the Advisory Committee. If the Advisory Committee advises either under this paragraph or in accordance with Article 31 that a declaration under paragraph (1) or (2) should be or should not be made or is incorrect, as the case may be, the Executive Committee acting on behalf of the Council may make or refrain from making a declaration accordingly, or cancel any declaration then in effect, whichever may be appropriate. The Executive Secretary shall communicate any such declaration or cancellation to all exporting and importing countries as soon as possible.

(5) Any declaration made under this Article shall specify the crop year or crop years to which it relates, and this Agreement shall apply accordingly.

(6) If any exporting or importing country considers that a declaration under this Article should be or should not have been made, as the case may be, it may refer the matter to the Council. If the Council finds that the representations of the country concerned are well founded, it shall make or cancel a declaration accordingly.

(7) Any declaration made under paragraphs (1), (2) or (4) of this Article which is cancelled in accordance with this Article shall be regarded as having full force and effect until the date of its cancellation, and such cancellation shall not affect the validity of anything done under the declaration prior to its cancellation.

ARTICLE 14

Action at or Approaching the Minimum Price

(1) If any exporting or importing country is making wheat available for purchase by exporting or importing countries at not greater than the minimum price, or if such a situation appears likely to arise, the Executive Secretary shall, after bringing the matter to the attention of the Advisory Committee on Price Equivalents and communicating as that Committee may advise with the country concerned, report the situation to the Executive Committee.

(2) If the Executive Committee, after studying the matter in the light of the advice which the Advisory Committee shall give under paragraph (1) of this Article or under Article 31, considers that the country concerned may be failing to carry out its obligations under the Agreement with respect to the minimum price, it shall so notify the country concerned and may require that such country furnish a statement respecting the matter for the Committee's further consideration. If, after taking into account any explanation offered by the country concerned, the Executive Committee is of the view that such country is failing to perform its obligations with respect to the minimum price, it shall so inform the Chairman of the Council.

(3) Upon receiving such information from the Executive Committee, the Chairman of the Council shall convene a session of the Council as soon as possible to consider the matter. The Council may make such recommendations to exporting and importing countries as it considers necessary to meet the situation.

(4) If the Advisory Committee on Price Equivalents, in the course of its continuous review of market conditions under Article 31, is of the opinion that, by reason of a serious fall in the price of any wheat, a situation has arisen, or threatens immediately to arise, which appears likely to jeopardize the objectives of the Agreement with regard to the minimum price, or if such a situation is called to the Advisory Committee's attention by the Executive Secretary on his own initiative or at the request of any exporting or importing country, it shall immediately inform the Executive Committee of the facts concerned. The Advisory Committee shall in so informing the Executive Committee give particular regard to circumstances which have brought about, or threaten to bring about, a serious fall in the price in any

market of wheat in relation to the minimum price. The Executive Committee shall, if it considers appropriate, inform the Chairman of the Council who may convene a session of the Council to consider the matter. The Council may make such recommendations to exporting and importing countries as it considers necessary to meet the situation.

(5) In advising and informing the Executive Committee under paragraphs (2) and (4) of this Article the Advisory Committee shall include advice of any action with regard to the determination of allowances for differences of quality which it considers might suitably be taken to meet the situation.

ARTICLE 15

Establishment of Datum Quantities

(1) Datum quantities as defined in Article 2 shall be established for each crop year on the basis of average annual commercial purchases during the first four of the immediately preceding five crop years.

(2) Before the beginning of each crop year, the Council shall establish for that crop year the datum quantity of each exporting country with respect to all importing countries and the datum quantity of each importing country with respect to all exporting countries and to each such country.

(3) The datum quantities established in accordance with the preceding paragraph shall be re-established whenever a change in the membership of this Agreement occurs, regard being had where appropriate to any conditions of accession prescribed by the Council under Article 35.

ARTICLE 16

Recording

(1) For the purposes of the operation of this Agreement, the Council shall keep records for each crop year of all commercial purchases made by importing countries from all sources and of all such purchases made from exporting countries.

(2) The Council shall also keep records so that at all times during a crop year a statement of the balance of commitment of each exporting country with respect to all importing countries and of the balance of entitlement of each importing country with respect to all exporting countries and to each such country is maintained. Statements of such balances shall, at intervals prescribed by the Council, be circulated to all exporting and importing countries.

(3) For the purposes of paragraph (2) of this Article and of paragraph (1) of Article 4, commercial purchases by an importing country from an exporting country entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under Articles 4 and 5, or those obligations as adjusted under other Articles of this Agreement, if the loading period falls within the crop year and

(a) in the case of importing countries, the purchases are at prices not less than the minimum price, and

(b) in the case of exporting countries, the purchases are at prices within the price range including, for the purposes of Article 5, the maximum price.

Commercial purchases of wheat-flour entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions, provided that the price of such wheat-flour is consistent with a price for wheat in accordance with Article 7.

(4) If an importing country and a country making wheat available for purchase so agree, purchases at prices above the maximum price shall not be regarded as a breach of Articles 4, 5, or paragraph (2) of Article 8, and shall be entered as against the obligations, if any, of the countries concerned. No maximum price declaration shall be made in respect of such purchases from an exporting country, nor shall they in any way affect the obligations of the exporting country concerned to other importing countries under Article 4.

(5) In the case of durum wheat and certified seed wheat, a purchase entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions whether or not the price is above the maximum price.

(6) Provided that the conditions prescribed in paragraph (3) of this Article are satisfied, the Council may authorize purchases to be recorded for a crop year if

(a) the loading period involved is within a reasonable time up to one month, to be decided by the Council, before the beginning or after the end of that crop year, and

(b) the exporting and importing country concerned so agree.

(7) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, a purchase shall, notwithstanding the provisions of paragraph (4) of Article 6, be eligible for entry in the Council's records against the obligations of the exporting country and the importing country concerned in accordance with this Article if it relates to

(a) Canadian wheat which is moved by an all-rail route from Fort William/Port Arthur to Canadian Atlantic ports, or

(b) United States wheat which, except for conditions beyond the control of the buyer and the seller, would be moved by lake and rail to United States Atlantic ports and which, because it cannot be so moved, is moved by an all-rail route to United States Atlantic ports,

provided that payment of the extra transportation cost thereby incurred is agreed between the buyer and the seller.

(8) The Council shall prescribe rules of procedure for the reporting and recording of all commercial purchases and special transactions. In those rules it shall prescribe the frequency and the manner in which those purchases and transactions shall be reported and shall prescribe the duties of exporting and importing countries with regard thereto. The Council shall also make provision for the amendment of any records or statements maintained by it, including provision for the settlement of any dispute arising in connection therewith.

(9) Each exporting country and each importing country may be permitted in the fulfilment of its obligations, a degree of tolerance to be prescribed by the Council for that country on the basis of the extent of those obligations and other relevant factors.

(10) In order that as complete records as possible may be maintained and for the purposes of Article 23, the Council shall also keep separate records for each crop year of all special transactions entered into by any exporting or importing country.

ARTICLE 17

Estimates of Requirements and Availability of Wheat

(1) By 1 October in the case of Northern Hemisphere countries and 1 February in the case of Southern Hemisphere countries, each importing country shall notify the Council of its estimate of its commercial requirements of wheat from exporting countries in that crop year. Any importing country may thereafter notify the Council of any changes it may desire to make in its estimate.

(2) By 1 October in the case of Northern Hemisphere countries and 1 February in the case of Southern Hemisphere countries, each exporting country shall notify the Council of its estimate of the wheat it will have available for export in that crop year. Any exporting country may thereafter notify the Council of any changes it may desire to make in its estimate.

(3) All estimates notified to the Council shall be used for the purpose of the administration of the Agreement and may only be made available to exporting and importing countries on such conditions as the Council may prescribe. Estimates submitted in accordance with this Article shall in no way be binding.

(4) Exporting and importing countries shall be free to fulfil their obligations under this Agreement through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

(5) The Council may, at its discretion, require exporting and importing countries to co-operate together to ensure that an amount of wheat equal to not less than ten per cent of the datum quantities of exporting countries for any crop year shall be available for purchase by importing countries under this Agreement after 31 January of that crop year.

ARTICLE 18

Consultations

(1) In order to assist an exporting country in assessing the extent of its commitments if a maximum price declaration should be made and without prejudice to the rights enjoyed by any importing country, an exporting country may consult with an importing country regarding the extent to which the rights of that importing country under Articles 4 and 5 will be taken up in any crop year.

(2) Any exporting or importing country experiencing difficulty in making sales or purchases of wheat under Article 4 may refer the matter to the Council. In such a case the Council, with a view to the satisfactory settlement of the matter, shall consult with any exporting or importing country concerned and may make such recommendations as it considers appropriate.

(3) If an importing country should find difficulty in obtaining its balance of entitlement in a crop year at prices not greater than the maximum price while a maximum price declaration is in effect, it may refer the matter to the council. In such a case the Council shall investigate the situation and shall consult with exporting countries regarding the manner in which their obligations shall be carried out.

ARTICLE 19

Performance under Articles 4 and 5

(1) The Council shall as soon as practicable after the end of each crop year review the performance of exporting and importing countries in relation to their obligations under Articles 4 and 5 during that crop year.

(2) For the purposes of this review the tolerances as specified by the Council under paragraph (9) of Article 16 shall apply.

(3) Upon application by an importing country in respect of the performance of its obligations in the crop year, the Council may take into account the wheat equivalent of flour purchased by it from another importing country provided it can be shown to the satisfaction of the Council that such flour was wholly milled from wheat purchased within the Agreement from exporting countries.

(4) In considering the performance of any importing country in relation to its obligations in the crop year:

(a) the Council shall disregard any exceptional importation of wheat from other than exporting countries provided that it can be shown to the satisfaction of the Council that such wheat has been or will be used only as feed and that such importation was not at the expense of quantities normally purchased by that importing country from exporting countries. Any decision under this sub-paragraph shall be by a majority of the votes held by exporting countries and a majority of the votes held by importing countries.

(b) the Council shall disregard any importation from other than exporting countries of wheat which has been denaturated for use as feed in a manner acceptable to the Council.

(5) In considering the performance of any importing country in relation to its obligations in the crop year the Council may also disregard any purchases by the country concerned of durum wheat from other importing countries which are traditional exporters of durum wheat.

ARTICLE 20

Defaults under Article 4 or 5

(1) If, on the basis of the review made under Article 19, any country appears to be in default of its obligations under Article 4 or 5, the Council shall decide what action should be taken.

(2) Before reaching a decision under this Article, the Council shall give any exporting or importing country concerned the opportunity to present any facts which it considers relevant.

(3) If the Council finds by a majority of the votes held by exporting countries and a majority of the votes held by importing countries that an exporting country or an importing country is in default under Article 4 or 5, it may by a similar vote deprive the country concerned of its voting rights for such period as the Council may determine, reduce the other rights of that country to the extent which it considers commensurate with the default, or expel that country from participation in the Agreement.

(4) No action taken by the Council under this Article shall in any way reduce the obligation of the country concerned in respect of its financial contributions to the Council unless that country is expelled from participation in the Agreement.

ARTICLE 21

Action in Cases of Serious Prejudice

(1) Any exporting or importing country which considers that its interests as a party to this Agreement have been seriously prejudiced by actions of any one or more exporting or importing countries affecting the operation of the Agreement may bring the matter before the Council. In such a case, the Council shall immediately consult with the countries concerned in order to resolve the matter.

(2) If the matter is not resolved through such consultations, the Council may refer the matter to the Executive Committee or the Advisory Committee on Price Equivalents for urgent investigation and report. On receipt of any such report, the Council shall consider the matter further and, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, may make recommendations to the countries concerned.

(3) If, after action has or has not been taken, as the case may be, under paragraph (2) of this Article, the country concerned is not satisfied that the matter has been satisfactorily dealt with, it may apply to the Council for relief. The Council may, if it deems appropriate, relieve that country of part of its obligations for the crop year in question. Two-thirds of the votes held by the exporting countries and two-thirds of the votes held by the importing countries shall be required for a decision granting relief.

(4) If no relief is granted by the Council under paragraph (3) of this Article and the country concerned still considers that its interests as a party to this Agreement have suffered serious prejudice, it may withdraw from the Agreement at the end of the crop year by giving written notice to the Government of the United States of America. If the matter was brought before the Council in one crop year and the Council's consideration of the application for relief was concluded in the subsequent crop year the withdrawal of the country concerned may be effected within thirty days of such conclusion by giving similar notice.

ARTICLE 22

Disputes and Complaints

(1) Any dispute concerning the interpretation or application of this Agreement other

than a dispute under Articles 19 and 20 which is not settled by negotiation shall, at the request of any country party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under paragraph (1) of this Article, a majority of countries, or any countries holding not less than one-third of the total votes, may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph (3) on the issues in dispute before giving its decision.

(3) (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) Two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries;

(ii) Two such persons nominated by the importing countries; and

(iii) A chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are parties to this Agreement shall be eligible to serve on the advisory panel. Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(c) The expenses of the advisory panel shall be paid by the Council.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any exporting or importing country has failed to fulfil its obligations under this Agreement shall, at the request of the country making the complaint, be referred to the Council, which shall make a decision on the matter.

(6) Subject to the provisions of Article 20, no exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and if the breach involves default by that country in its obligations under Article 4 or 5, the extent of such default.

(7) Subject to the provisions of Article 20, if the Council finds that an exporting country or an importing country has committed a breach of this Agreement, it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfils its obligations or expel that country from participation in the Agreement.

PART V.—ANNUAL REVIEW AND CONSUMPTION AND UTILIZATION OF WHEAT

ARTICLE 23

Annual Review of World Wheat Situation

(1) (a) Guided by the objectives of this Agreement as set forth in Article 1, the Council shall annually review the world wheat situation and shall inform exporting and importing countries of the effects upon the international trade in wheat of any of the facts which emerge from the review, in order that these effects be kept in mind by those countries in determining and administering their internal agricultural and price policies.

(b) The review shall be carried out in the light of information obtainable in relation to national production, stocks, prices, trade, including disposals of excess wheat supplies and special transactions, consumption and any other facts which may appear relevant. To facilitate this review the Council may supplement such information by studies conducted in co-operation with any exporting or importing country.

(c) To assist it in its review of disposals of excess wheat supplies, exporting and importing countries shall inform the Council of the measures taken by them to secure compliance with the principles that the solution to the problems involved in such disposals should be sought, wherever possible, through efforts to increase consumption, and that such disposals should take place in an orderly manner, and that where excess wheat supplies are made available on special terms, such arrangements should be made without harmful interference with normal patterns of production and international commercial trade.

(d) Any exporting or importing country may for the purpose of the annual review submit to the Council any information which it considers relevant to the attainment of the objectives of this Agreement. Information so submitted shall be taken into account as appropriate by the Council in carrying out the annual review.

(2) For the purposes of this Article and those of Article 24, the Council shall pay due regard to work done by the Food and Agriculture Organization of the United Nations and other intergovernmental organizations, in order in particular to avoid duplication of work, and may, without prejudice to the generality of paragraph (1) of Article 34, make such arrangements regarding co-operation in

any of its activities as it considers desirable with such intergovernmental organizations and also with any Governments of Members of the United Nations or the specialized agencies not parties to this Agreement which have a substantial interest in the international trade in wheat.

(3) Nothing in this Article shall prejudice the complete liberty of action of any exporting or importing country in the determination and administration of its internal agricultural and price policies.

ARTICLE 24

Consumption and Utilization of Wheat

(1) As appropriate, the Council shall consider and inform exporting and importing countries of means through which the consumption of wheat may be increased. To this end the Council may undertake, in co-operation with exporting and importing countries, studies of such matters as:

(a) factors affecting the consumption of wheat in various countries; and

(b) means of achieving increased consumption, particularly in countries where the possibility of increased consumption is found to exist.

Any exporting or importing country may submit to the Council information which it considers relevant to the attainment of this purpose.

(2) Exporting and importing countries, recognizing the special problems of developing countries, shall pay due regard to the principle that excess wheat supplies should, where possible, be effectively utilized in raising levels of consumption and in assisting in general economic and market development in developing countries with low levels of individual income. Where such wheat is made available on special terms, the exporting and importing countries concerned undertake that such arrangements will be made without harmful interference with normal patterns of production and international commercial trade.

(3) Any exporting or importing country which makes excess wheat supplies available on special terms under a government assisted programme undertakes to provide the Council promptly with detailed information relating to such agreements entered into and to report regularly shipments made under such agreements.

PART VI.—GENERAL ADMINISTRATION

ARTICLE 25

Constitution of the Council

(1) The International Wheat Council, established by the International Wheat Agreement 1949, shall continue in being for the purpose of administering this Agreement, with the membership, powers and functions provided in this Agreement.

(2) Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, alternates, and advisers.

(3) Such intergovernmental organizations as the Council may decide to invite to any of its meetings may each have one non-voting representative in attendance at those meetings.

(4) The Council shall elect a Chairman and a Vice-Chairman who shall hold office for one crop year. The Chairman shall have no vote and the Vice-Chairman shall have no vote while acting as Chairman.

(5) The Council shall have in the territory of each exporting and importing country, to the extent consistent with its laws, such legal capacity as may be necessary for the exercise of its functions under this Agreement.

ARTICLE 26

Powers and Functions of the Council

(1) The Council shall establish its rules of procedure.

(2) The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

(3) The Council shall publish an annual report and may also publish any other information (including, in particular, its Annual Review or any part or summary thereof) concerning matters within the scope of this Agreement.

(4) In addition to the powers and functions specified in this Agreement, the Council shall have such other powers and perform such other functions as are necessary to carry out the terms of this Agreement.

(5) The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Subject to the provisions of Article 13, any decision made under any powers or functions delegated by the Council in accordance with this paragraph shall be subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

(6) In order to enable the Council to discharge its functions under this Agreement,

the exporting and importing countries undertake to make available and supply such statistics and information as are necessary for this purpose.

ARTICLE 27

(1) The votes to be exercised by the respective delegations of exporting countries on the Council shall be those specified in Annex B.

(2) The votes to be exercised by the respective delegations of importing countries on the Council shall be those specified in Annex C.

(3) Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Satisfactory evidence of such authorization shall be submitted to the Council.

(4) If at any meeting of the Council an importing country or an exporting country is not represented by an accredited delegate and has not authorized another country to exercise its votes in accordance with paragraph (3) of this Article, and if at the date of any meeting any country has forfeited, has been deprived of, or has recovered its votes under any provisions of this Agreement, the total votes to be exercised by the exporting countries shall be adjusted to a figure equal to the total of votes to be exercised at that meeting by the importing countries and redistributed among exporting countries in proportion to their votes.

(5) Whenever any country becomes or ceases to be a party to this Agreement, the Council shall redistribute the votes within either Annex B or Annex C as the case may be, proportionally to the number of votes held by each country listed in that Annex.

(6) No exporting or importing country shall have less than one vote and there shall be no fractional votes.

ARTICLE 28

Seat, Sessions and Quorum

(1) The seat of the Council shall be London unless the Council decides otherwise by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) The Council shall meet at least once during each half of each crop year and at such other times as the Chairman may decide.

(3) The Chairman shall convene a Session of the Council if so requested by (a) five countries or (b) one or more countries holding a total of not less than ten per cent of the total votes or (c) the Executive Committee.

(4) The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries prior to any adjustment of votes under Article 27 shall be necessary to constitute a quorum at any meeting of the Council.

ARTICLE 29

Decisions

(1) Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

(2) Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

ARTICLE 30

Executive Committee

(1) The Council shall establish an Executive Committee. The members of the Executive Committee shall be not more than four exporting countries elected annually by the exporting countries and not more than eight importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice-Chairman.

(2) The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph (5) of Article 26.

(3) The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes of the exporting countries on the Executive Committee shall be divided among them as they shall decide, provided that no such exporting country shall have more than forty per cent of the total votes of those exporting countries. The votes of the importing countries on the Executive Committee shall be divided among them as they shall decide, provided that no such importing country shall have more than forty per cent of the total votes of those importing countries.

(4) The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provision regarding rules of procedure in the

Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

(5) Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

ARTICLE 31

Advisory Committee on Price Equivalents

(1) The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of not more than four exporting countries and of not more than four importing countries. The Chairman of the Advisory Committee shall be appointed by the Council.

(2) The Advisory Committee shall keep under continuous review current market conditions, including in particular the movement of prices for wheat and shall immediately inform the Executive Committee whenever in its opinion a maximum price declaration should be made under Article 13 or a situation of the type described in paragraphs (1) or (4) of Article 14 has arisen or appears likely to arise. The Advisory Committee shall, in the exercise of its functions under this paragraph take into account any representations made by any exporting or importing country.

(3) The Advisory Committee shall advise in accordance with the relevant Articles of this Agreement and on such other matters as the Council or the Executive Committee may refer to it.

ARTICLE 32

The Secretariat

(1) The Council shall have a Secretariat consisting of an Executive Secretary, who shall be its chief administrative officer, and such staff as may be required for the work of the Council and its Committees.

(2) The Council shall appoint the Executive Secretary who shall be responsible for the performance of the duties devolving upon the Secretariat in the administration of this Agreement and for the performance of such other duties as are assigned to him by the Council and its Committees.

(3) The staff shall be appointed by the Executive Secretary in accordance with regulations established by the Council.

(4) It shall be a condition of employment of the Executive Secretary and of the staff that they do not hold or shall cease to hold financial interest in the trade in wheat and that they shall not seek or receive instructions regarding their duties under this Agreement from any Government or from any other authority external to the Council.

ARTICLE 33

Finance

(1) The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop year shall be in the proportion which the number of its votes bears to the total of the votes of the exporting and importing countries at the beginning of that crop year.

(2) At its first Session after this Agreement comes into force, the Council shall approve its budget for the period ending 31 July 1963 and assess the contribution to be paid by each exporting and importing country.

(3) The Council shall, at a Session during the second half of each crop year, approve its budget for the following crop year and assess the contribution to be paid by each exporting and importing country for that crop year.

(4) The initial contribution of any exporting or importing country acceding to this Agreement under paragraph (4) of Article 35 shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing countries for the current crop year shall not be altered.

(5) Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be relieved of its obligations under this Agreement, nor shall it be deprived of any of its rights under this Agreement unless the Council so decides by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries.

(6) The Council shall, each crop year, publish an audited statement of its receipts and expenditures in the previous crop year.

(7) The Government of the country where the seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that

such exemption need not apply to the nationals of that country. It shall also grant exemption from taxation on the assets, income and other property of the Council.

(8) The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

ARTICLE 34

Co-operation with other Intergovernmental Organizations

(1) The Council may make whatever arrangements are desirable for consultation and co-operation with the appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations.

(2) If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in paragraphs (3), (4) and (5) of Article 36 shall be applied.

PART VII.—FINAL PROVISIONS

ARTICLE 35

Signature, Acceptance, Accession and Entry into Force

(1) This Agreement shall remain open for signature in Washington from 19 April 1962 until and including 15 May 1962 by the Governments of the countries listed in Annexes B and C.

(2) This Agreement shall be subject to acceptance by the signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph (8) of this Article, instruments of acceptance shall be deposited with the Government of the United States of America not later than 16 July 1962.

(3) This Agreement shall be open for accession by any Government of a country listed in Annexes B or C. Subject to the provisions of paragraph (8) of this Article, instruments of accession shall be deposited with the Government of the United States of America not later than 16 July 1962. However, any such Government may, if it is not granted an extension of time under paragraph (8), and in any event after 16 July 1963, accede to this Agreement in accordance with paragraph (4).

(4) The Council may, by two-thirds of the votes cast by exporting countries and by two-thirds of the votes cast by importing countries, approve accession to this Agreement by the Government of any Member of the United Nations or the specialized agencies or by any Government invited to the United Nations Wheat Conference, 1962, and prescribe conditions for such accession, and in such a case the Council shall establish the relevant datum quantities in accordance with Articles 12 and 15. Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(5) Part I and Parts III to VII of this Agreement shall enter into force on 16 July 1962 and Part II on 1 August 1962, between those Governments which have by that date deposited instruments of acceptance or accession under paragraphs (2) or (3) of this Article, provided that such Governments hold not less than two-thirds of the votes of exporting countries and not less than two-thirds of the votes of importing countries, in accordance with the distribution established in Annexes B and C. It shall enter into force for any Government which subsequently deposits an instrument of acceptance or accession on the date of such deposit.

(6) For the purposes of the entry into force of this Agreement in accordance with paragraph (5) of this Article, a notification by any signatory Government or by any Government entitled to accede to this Agreement under paragraph (3) containing an undertaking to seek acceptance or accession to this Agreement in accordance with constitutional procedures as rapidly as possible which is received by the Government of the United States of America not later than 16 July 1962, shall be regarded as equal in effect to an instrument of acceptance or accession. It is understood that a Government which gives such a notification will provisionally apply the Agreement and be provisionally regarded as a party thereto until either it deposits its instrument of acceptance or accession in accordance with paragraphs (2) or (3) or until the expiry of the period within which such instrument should have been deposited.

(7) If by 16 July 1962 the conditions laid down in the preceding paragraphs for the entry into force of this Agreement are not fulfilled, the Governments of those countries which by that date have accepted or acceded to this Agreement in accordance with paragraphs (2) or (3) of this Article may decide by mutual consent that it shall enter into force among them, or they may take whatever other action they consider the situation requires.

(8) Any Government which has not accepted or acceded to this Agreement by 16 July 1962 in accordance with paragraphs (2) or (3) of this Article may be granted by the Council an extension of time for depositing its instrument of acceptance or accession for any period until and including 16 July 1963.

(9) Where, for the purposes of the operation of this Agreement, reference is made to countries listed in Annexes B or C, any country the Government of which has acceded to this Agreement on conditions prescribed by the Council in accordance with paragraph (4) of this Article, shall be deemed to be listed in the appropriate Annex.

(10) The Government of the United States of America will notify all signatory and acceding Governments of each signature, acceptance of an accession to this Agreement and of all notifications made in accordance with paragraph (6) of this Article.

ARTICLE 36

Duration, Amendment, and Withdrawal

(1) This Agreement shall remain in force until and including 31 July 1965.

(2) The Council shall, at such time as it considers appropriate, communicate to the exporting and importing countries its recommendations regarding renewal or replacement of this Agreement. The Council may invite any Government of a Member of the United Nations or the specialized agencies not party to this Agreement which has a substantial interest in the international trade in wheat to participate in any of its discussions under this paragraph.

(3) The Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this Agreement to the exporting and importing countries.

(4) The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

(5) Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop year. Any such withdrawing country shall not be bound by the provisions of the amendment occasioning its withdrawal.

(6) Any exporting country which considers its interests to be seriously prejudiced by the non-participation in this Agreement of any country listed in Annex C holding not less than five per cent of the votes distributed in that Annex, or any importing country which considers its interests to be seriously prejudiced by the non-participation in the Agreement of any country listed in Annex B holding not less than five per cent of the votes distributed in that Annex, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before 1 August 1962. If an extension of time has been granted by the Council under paragraph (8) of Article 35, notice of withdrawal in accordance with this paragraph may be given before the expiry of 14 days after the extension granted.

(7) Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America or may apply in the first instance to the Council for the suspension of any or all of its obligations under this Agreement.

(8) Any exporting country which considers its interests to be seriously prejudiced by the withdrawal from this Agreement of any country listed in Annex C holding not less than 5 per cent of the votes distributed in that Annex or any importing country which considers its interests to be seriously prejudiced by the withdrawal from the Agreement of any country listed in Annex B holding not less than 5 per cent of the votes distributed in that Annex may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before the expiry of 14 days from the withdrawal of the country which is considered to cause such serious prejudice.

(9) The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

ARTICLE 37

Territorial Application

(1) Any Government may, at the time of signature or acceptance of or accession to

this Agreement, declare that its rights and obligations under this Agreement shall not apply in respect of all or any of the non-metropolitan territories for the international relations of which it is responsible.

(2) With the exception of territories in respect of which a declaration has been made in accordance with paragraph (1) of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all non-metropolitan territories for the international relations of which that Government is responsible.

(3) Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the non-metropolitan territories regarding which it has made a declaration in accordance with paragraph (1) of this Article.

(4) Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the non-metropolitan territories for whose international relations it is responsible.

(5) For the purposes of the establishment of datum quantities under Article 15 and the redistribution of votes under Article 27, any change in the application of this Agreement in accordance with this Article shall be regarded as a change in participation in this Agreement in such manner as may be appropriate to the circumstances.

(6) The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signature.

The texts of this Agreement in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding Government.

ANNEX A

Percentage Undertaking of Importing Countries

Austria	60
Belgium and Luxembourg	90
Brazil	30
Ceylon	80
Cuba	90
Dominican Republic	90
Federal Republic of Germany	87½
Federation of Rhodesia and Nyasaland	90
India	70
Indonesia	70
Iran	80
Ireland	90
Israel	60
Japan	85
Kingdom of the Netherlands	90
Liberia	70
Libya	70
New Zealand	90
Nigeria	80
Norway	90
Philippines	80
Poland	50
Portugal	85
Republic of Korea	90
Saudi Arabia	70
South Africa	90
Switzerland	87
United Arab Republic	30
United Kingdom	90
Vatican City	100
Venezuela	60

ANNEX B

Votes of Exporting Countries

Argentina	70
Australia	125
Canada	290
France	70
Italy	10
Mexico	5
Spain	5
Sweden	10
Union of Soviet Socialist Republics	125
United States of America	290
Total	1,000

ANNEX C

Votes of Importing Countries

Austria	6
Belgium and Luxembourg	33
Brazil	28
Ceylon	12
Cuba	12
Dominican Republic	2
Federal Republic of Germany	139
Federation of Rhodesia and Nyasaland	6
India	20
Indonesia	6
Iran	4
Ireland	11
Israel	6
Japan	154
Kingdom of the Netherlands	70
Liberia	1
Libya	3
New Zealand	14
Nigeria	4
Norway	18
Philippines	22
Poland	10
Portugal	9
Republic of Korea	2
Saudi Arabia	5
South Africa	10
Switzerland	23
United Arab Republic	16
United Kingdom	339
Vatican City	1
Venezuela	14
Total	1,000

THE SENATE

Wednesday, April 11, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of the Department of Public Works for the fiscal year ended March 31, 1961, pursuant to section 34 of the Public Works Act, chapter 228, R.S.C. 1952. (French text).

Report of proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1961, pursuant to section 9 of the said act, chapter 269, R.S.C. 1952. (English text).

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-231, for the relief of Karl-Heinz Hans Luedders.

Bill SD-232, for the relief of Leslie Thomas Norval Modler.

Bill SD-233, for the relief of Amy Sandra Glendinning.

Bill SD-234, for the relief of Muriel Howarth Hulbig.

Bill SD-235, for the relief of Kathleen Sangster.

Bill SD-236, for the relief of Phyllis Siev.

Bill SD-237, for the relief of Marjorie Brown.

Bill SD-238, for the relief of Jean Letovsky.

Bill SD-239, for the relief of Shirley Margaret Woolley.

Bill SD-240, for the relief of Ida Schwartz.

Bill SD-241, for the relief of Nathalie Longtin.

Bill SD-242, for the relief of Vida Irene Louise McCallum.

Bill SD-243, for the relief of Margaret Joan Digby.

Bill SD-244, for the relief of Madia-Anne Hruszij.

Bill SD-245, for the relief of Maureen Knowles.

Bill SD-246, for the relief of Joyce Irene Larocque.

Bill SD-247, for the relief of Rolland Commoy.

Bill SD-248, for the relief of Ginette Noela Melanie Soulier.

Bill SD-249, for the relief of Jeannette Carignan.

Bill SD-250, for the relief of Nora Bridget Lahey.

Bill SD-251, for the relief of Virginia Ruth Parmiter.

Bill SD-252, for the relief of Betty Ankhelyi.

Bill SD-253, for the relief of Barbara Ann Sebrian.

Bill SD-254, for the relief of Susanne Reiner.

Bill SD-255, for the relief of Marie Emilia Rolande Gittens.

Bill SD-256, for the relief of Suzanne Chasse.

Bill SD-257, for the relief of Barbara Patricia Rogers.

Bill SD-258, for the relief of Roland Demers.

Bill SD-259, for the relief of Lajos Nagy, otherwise known as Louis Nagy.

Bill SD-260, for the relief of Eloise Sonne.

Bill SD-261, for the relief of Jennie Zajko.

Bill SD-262, for the relief of Robert Fleischer.

Bill SD-263, for the relief of Hugh O'Conner.

Bill SD-264, for the relief of Charles Harold Page.

Bills read first time.

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck: Honourable senators, I make a point of never asking to have the rules set aside for reading of bills of this kind unless there seems to be some necessity for doing so. I think, under the present circumstances, it would be wise to place these bills on the Orders of the Day for second reading tomorrow. With leave, I so move.

Motion agreed to.

REPORTS OF COMMITTEE

Hon. Mr. Roebuck presented reports of the Standing Committee on Divorce, Nos. 277 to 306, and moved that they be taken into consideration at the next sitting.

Motion agreed to.

INTERNAL ECONOMY

FOURTH REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's fourth report.

Report read by the Clerk Assistant:

Your committee recommend that from the end of the present session of Parliament to the commencement of the next ensuing session of Parliament the Leader

of the Government in the Senate and two senators to be named by him from time to time be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate and that two of the members so appointed shall constitute a quorum of this authority.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Brunt: With leave of the Senate, I move that the report be considered now.

Hon. Mr. Macdonald (Brantford): I did not catch the names of the senators to be appointed.

Hon. Mr. Brunt: No one has been named as yet. The Leader of the Government in the Senate (Hon. Mr. Aseltine) has authority under the report to name two senators to act with him on this intersessional committee. The members of the committee may change. If the two members originally named are not available when the Senate is not sitting, the Leader of the Government has the right to name two others to take their place. I might point out to honourable senators that anything done by the intersessional committee is eventually approved by the full committee.

Hon. Mr. Macdonald (Brantford): Does the honourable senator recall the names of the members of the committee for last year?

Hon. Mr. Brunt: Yes. They were the Leader of the Government in the Senate (Hon. Mr. Aseltine), the honourable senator from Ottawa West (Hon. Mr. Connolly) and myself.

Hon. Mr. Reid: Is this the usual procedure?

Hon. Mr. Brunt: Yes, it is done each year, usually near the close of the session of Parliament. I do not know how close we are to that now.

Report adopted.

FIFTH REPORT

Hon. Mr. Brunt presented the committee's fifth report.

Report read by the Clerk Assistant:

Your Committee have examined the expenditures and revenues of the Senate for the fiscal year ending March 31, 1962, and have found them correct.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Brunt: I move, with leave, that the report be adopted now. I might say that these accounts were audited by a Senate committee of which the honourable senator from Provencher (Hon. Mr. Beaubien) was the chairman. At the meeting this morning he advised us that, in order to make sure that his audit was correct, the Auditor General had also audited the accounts.

Report adopted.

INQUIRIES NO. 1 AND NO. 2

STAND

Hon. Walter M. Aseltine: Honourable senators, I have been unable on account of the absence of the Minister of Justice to obtain an answer to Inquiry No. 1, by the honourable senator from De la Durantaye (Hon. Mr. Pouliot). I expect to receive an answer to Inquiry No. 2 by the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) this afternoon or tomorrow morning. Having regard to these facts, I am obliged to ask that these inquiries stand in the meantime.

Hon. Jean-François Pouliot: Thank you very much.

INTERNATIONAL WHEAT AGREEMENT

On the Order for Motions:

That it is expedient that the Houses of Parliament do approve the International Wheat Agreement to be opened for signature at Washington, D.C., on April 19, 1962, and that this House do approve the same.

Hon. Walter M. Aseltine: Honourable senators, I would like to have this motion standing in my name held in abeyance so that item No. 3 on the Orders of the Day, the second reading of Bill C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada, may be proceeded with now.

I ask for this indulgence because the honourable senator from Hanover (Hon. Mr. Brunt), who is the sponsor of this bill, is now ready to proceed, and he has to leave later this afternoon. When that order has been completed, I will then ask leave to revert to motions so that my motion with respect to the International Wheat Agreement can be considered.

(*See p. 499.*)

Hon. Mr. Roebuck: The honourable Leader of the Government will have no objection to the first item on the Orders of the Day being proceeded with? It is the third reading of a number of divorce bills.

Hon. Mr. Aseltine: No objection.

SENATE REFORM

NEWSPAPER ARTICLE—QUESTION

On the Orders of the Day:

Hon. Gordon B. Isnor: Honourable senators, I would like to refer to a news item which appeared in the Ottawa *Journal* of Friday, April 4 with respect to a meeting held by the Conservative Party at Strathroy, Ontario, at which the Prime Minister was the main speaker and at which the honourable Deputy Leader of the Government in the Senate was also present. I wish to ask a question of the honourable Deputy Leader of the Government—

Hon. Mr. Brunt: May I ask when the meeting was held?

Hon. Mr. Isnor: I will be very pleased to quote—

Hon. Mr. Brunt: When was the meeting held?

Hon. Mr. Isnor: This item appeared in the Ottawa *Journal* of Friday, April 8. If I am wrong in that date the honourable Deputy Leader can correct me.

Hon. Mr. Brunt: The 8th of what month?

Hon. Mr. Isnor: April.

Hon. Mr. Brunt: Friday was April 6.

Hon. Mr. Isnor: I will take your word for it. You were present, nevertheless.

Hon. Mr. Smith (Queens-Shelburne): If the honourable senator would ask his question we would all know what is going on.

Hon. Mr. Isnor: You will have the question before I sit down. I am quoting from the issue of the Ottawa *Journal* that I mentioned, which reads as follows:

> Sen. William Brunt (C—Hanover), who was travelling with the prime minister, said this would mean that 35 present senators would be retired. Only three of them would be Conservatives, he added, and appointment of Conservatives to fill the vacancies would give the government a solid majority in the Senate.

The honourable Deputy Leader of the Government will have an opportunity to deny that or not, as he wishes, but my question is very simple and one which he can answer without the least hesitation.

Is it true, as implied by the honourable Deputy Leader, that the proposed reform of the Senate is a political move to gain Senate control for the Conservative Party?

Hon. Mr. Brunt: My answer is very simply—No.

Hon. Mr. Isnor: Then, honourable senators, may I be permitted to ask the honourable Deputy Leader whether he made the statement attributed to him, and as it appears in the Ottawa *Journal*?

Hon. Mr. Brunt: I was not at any meeting in Ottawa on Friday night, and therefore I could not have made any statement.

Hon. Mr. Isnor: I did not say the meeting was at Ottawa. I said it was a report in the Ottawa *Journal* of a meeting which took place at Strathroy at which the Prime Minister was present and spoke about reform of the Senate. It also stated that the Deputy Leader of the Government in the Senate, the honourable senator from Hanover (Hon. Mr. Brunt), was present and made the statement. If the honourable senator wishes to contradict the statement which appeared in the newspaper it will satisfy me.

Hon. Mr. Brunt: I was not present at any meeting held in Stratford or in Strathroy.

Hon. Mr. Isnor: Nor did you make the statement?

Hon. Mr. Brunt: I do not recall making a statement in words as appear in the Ottawa *Journal.*

Hon. Mr. Isnor: In substance, of course.

Hon. Mr. Brunt: I think I have answered the honourable senator's question.

Hon. Mr. Isnor: We have to draw our own conclusions and take it for granted that if the report did not correctly reflect the statement of the honourable Deputy Leader, it was correct in substance.

Hon. Mr. Connolly (Halifax North): May I ask whether the article in the Ottawa *Journal* appeared under a by-line?

Hon. Mr. Isnor: It appeared under the by-line of Mr. Gordon Dewar of the Ottawa *Journal.* I might add that practically the same statement appeared in the Toronto *Globe and Mail* and in one or two other newspapers that are friendly, of course, to the honourable senator from Hanover.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-190, for the relief of Elizabeth Anne Kotania.

Bill SD-191, for the relief of Hyman Omri Tannenbaum.

Bill SD-192, for the relief of Rosa Jacobson.

Bill SD-193, for the relief of Stephen Alexander Lantos.

Bill SD-194, for the relief of Frank Hamilton Mingie, junior.

Bill SD-195, for the relief of Frieda Lina Schaub.

Bill SD-196, for the relief of Alma Ivy Bankley.

Bill SD-197, for the relief of Colleen Ann Kenny.

Bill SD-198, for the relief of Phyllis Carol Johnston.

Bill SD-199, for the relief of Leonard Emond.

Bill SD-200, for the relief of Edith Rozel McDougall.

Bill SD-201, for the relief of Kenneth Allen Blight.

Bill SD-202, for the relief of Ellen Chase McKellar.

Bill SD-203, for the relief of Mona Pozza.

Bill SD-204, for the relief of John Faucher.

Bill SD-205, for the relief of Violet Pearl St. James Lemoine.

Bill SD-206, for the relief of Ann Marguerite MacDonald.

Bill SD-207, for the relief of Eva Florence Plaskett.

Bill SD-208, for the relief of Karl Heinz Kerlikowsky.

Bill SD-209, for the relief of Hilda Desjardins.

Bill SD-210, for the relief of Sandra Mary Louise Martin.

Bill SD-211, for the relief of Mary Iris Fournier.

Bill SD-212, for the relief of Rosemary Louise Eakins.

Bill SD-213, for the relief of Phyllis Manoah.

Bill SD-214, for the relief of Jean Elizabeth O'Reilly.

Bill SD-215, for the relief of Maureen Mary Piercey.

Bill SD-216, for the relief of Josephine Mary Croll.

Bill SD-217, for the relief of Milton Lawrence Trickey.

Bill SD-218, for the relief of William John Loke.

Bill SD-219, for the relief of Anita Guido Knezevic.

Bill SD-220, for the relief of Shirley Brimacombe.

Bill SD-221, for the relief of Betty O'Neil.

Bill SD-222, for the relief of Rebecca Rosenstrauss.

Bill SD-223, for the relief of Paulyne Leblanc.

Bill SD-224, for the relief of Marie Joan Patricia Jeffries.

Bill SD-225, for the relief of Isadore Rosenblatt.

Bill SD-226, for the relief of Alice Elizabeth Clarke.

Bill SD-227, for the relief of Armando Argentini.

Bill SD-228, for the relief of Molly Sacks.

Bill SD-229, for the relief of Millicent Vera Seagrove.

Bill SD-230, for the relief of Joseph Jean Paul Fernand Blanchette.

Hon. Jean-François Pouliot: Honourable senators, I would like to ask the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) if he has any idea of what will happen to these bills in the other house as a result of the informal talks that have taken place between a few members of both houses.

Hon. Mr. Roebuck: I have no responsibility for what will happen in the other house. My position in regard to the divorce committee is—and in this my colleagues agree—that we will do our duty to the best of our ability and carry on as though Parliament will continue in its normal and proper way. We are carrying on and sitting as frequently as four times a week to deal with divorce bills and, as I say, doing our duty. We leave the other house to do its duty, or answer for not doing it.

The Hon. the Speaker: May I inquire how many cases are still on the rolls?

Hon. Mr. Roebuck: There are about 225 divorce bills now on the Order Paper of the other house. I have had the honour to present 614 divorce petitions to the Senate, so we are a long way from concluding our labours. We have been working hard and rapidly, disposing of something like fifteen uncontested cases on Fridays and Mondays and hearing contested cases on Tuesdays and Thursdays.

Hon. Mr. Pouliot: If the honourable gentleman would permit me, I would like to ask him in his capacity as chairman of the divorce committee if his committee could handle the approximately 6,000 divorce cases which are before the provincial courts in eight provinces of Canada?

Hon. Mr. Roebuck: I know of no province which deals with 6,000 cases a year. In the province of Ontario, if my memory serves me right, the average is about 1,500 a year—I may be wrong on that. However, that is not an answer to my friend's question. He asks if we could handle a very large number of cases. The question is an academic one, and I suppose I could very well say that I am not called upon to answer academic questions. However, his question is of some significance, and my answer to it is: Yes, the Senate Divorce Committee can handle a very large number of cases.

Hon. Mr. Pouliot: I have a practical question to ask the honourable gentleman. What is the maximum number of divorce cases that the Divorce Committee of the Senate can handle during one session?

Hon. Mr. Roebuck: Now that is an academic question, and one which I am not able to answer. I would not suggest a maximum number, because if it was our duty to handle a very large number of cases, we would do so.

Hon. Mr. Pouliot: That is not an answer.

Hon. Mr. Roebuck: No, that is not an answer. I cannot state the maximum number of cases we could handle.

Hon. Mr. Lambert: That is a theoretical question.

Hon. Mr. Roebuck: Yes, that is a theoretical question. When my friend asks me if the committee could handle a specific number of cases, namely, 6,000 a year, my answer is yes; but when he asks me the maximum number the committee could handle, I cannot answer that.

Motion agreed to and bills read third time and passed, on division.

CORPORATIONS AND LABOUR UNIONS RETURNS BILL

SECOND READING

Hon. William M. Brunt moved the second reading of Bill C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

He said: Honourable senators, Bill C-38 provides for the reporting of certain financial and other statistical information in connection with the affairs of corporations who do business in Canada and in connection with the affairs of labour unions who carry on their activities in Canada. The bill makes no reference of any kind to businesses as carried on by individuals in Canada, and therefore I can only conclude that so far as the business world is concerned it relates only to corporations.

I do not propose to discuss this bill in detail by going through it clause by clause, but rather to make only a few general remarks concerning the bill, since I am quite sure that when it is considered by the Banking and Commerce Committee each individual clause will receive close consideration and scrutiny by the members of that committee and a full explanation will be given with respect to the various clauses.

With respect to corporations it should be pointed out that the bill applies to both private and public companies, whether they are controlled by Canadians or foreigners, and in each case the company is required to disclose the same information.

It should be pointed out at the outset that the bill does not apply to or affect any company whose Canadian operations gross less than $500,000 a year or whose Canadian assets are less than $250,000. Furthermore, the bill contains a rather extensive schedule listing no less than fifteen different types of companies such as banks, insurance companies, trust companies, small loan companies, co-operatives, credit unions, fraternal societies, and crown corporations, which are exempt from the provisions of the bill. In addition, the schedule further exempts municipalities, agencies of foreign governments, charitable bodies, broadcasting companies, air lines, railway, telephone and express companies. I understand that a majority of these companies have been made exempt because they now furnish the Government with special reports in connection with their activities and business operations.

Hon. Mr. Hayden: Will the honourable senator permit a question? The $500,000 and the $250,000 which you have mentioned are two qualifications that the same corporation must possess at the same time in order that it may be exempt from the provisions of this act. Is that not right?

Hon. Mr. Brunt: I believe so.

The act provides that corporations and unions must furnish to the Government two types of returns, which may be identified as returns as required by Section A and returns as required by Section B. The information which corporations are required to give under Section A returns must be filed with the Dominion Statistician and will be available to the general public through an office of the Department of the Secretary of State designated by that department for that particular purpose.

Briefly, the Section A statement must disclose the following: firstly, the corporate name and address of the company; secondly, the address of its head office and the manner in which the company was incorporated and the date and place of incorporation; thirdly, the company must set out the amount of its authorized capital, the number of shares issued of each class into which the authorized capital is divided, plus a short description of the voting rights that attach to each particular class of shares; fourthly, the number of shares held by non-residents of Canada and, further, the number of non-residents holding more than 5 per cent of the total shares of any particular class of stock.

Furthermore, the bill requires that the corporation set out the names and addresses of other corporations holding 10 per cent or more of the total shares or of any class of shares of the Canadian company.

It should also be pointed out that under Section A a company is required to set out in its return the names, addresses and manner of incorporation of any company holding more than 50 per cent of the shares of the Canadian company. Also, this return must disclose the total amount of debentures issued and outstanding.

The final requirement is to the effect that the name, address and nationality of each director of the company and of each officer of the company resident in Canada shall be set out.

As all honourable senators will realize, information as asked for in Section A is of a very general nature. None of it can be classified as being of a confidential nature. It will be available to the general public upon the payment of a fee of $1 to the Secretary of State for the return of each company that a person desires to inspect.

However, the information which a corporation is required to furnish under Section B of the bill is of an entirely different nature. There is no doubt that the information as asked for is of a very confidential nature, and hence will not be made available to the public. To furnish this information will require much more extensive accounting than any now required under the dominion Companies Act or under any provincial act.

The basic intent of Section B is to make available to the Government information which it requires for policy making, and also to furnish to the Government a statement of all payments made by Canadian companies to people living outside of Canada.

First of all, Section B requires disclosure with respect to the basic financial operations of the company. A balance sheet showing the assets and liabilities must be included in this part of the return. A statement with respect to income and expenditure and surplus for the operating period must also be included. Furthermore, there must be included such other statements relating to the financial position of the company as are required by the company's bylaws to be placed before any annual meeting of the shareholders.

Secondly, Section B requires that a separate statement be included in the return showing the total amounts paid or credited to persons not resident in Canada for any of the following: dividends, interest payments, rentals paid on property or equipment, royalties, and similar payments made in respect to each of the following: copyrights, patents, industrial designs, trademarks and trade names, payments made for production, distribution and sale franchises and similar rights, for advertising and sales promotion, for and in respect of scientific research, payments made with respect to management and administration fees, salaries, fees and other remuneration paid to officers and directors.

There will also have to be included in this particular statement amounts paid for annuities and pensions and other similar payments with respect to officers and directors including former officers and directors, and with respect to persons holding more than 5 per cent of the total issued shares or of any class of stock.

This return will also have to set out the fees and charges paid for professional services with respect to each of the following services, namely: engineering, architectural, legal accounting, auditing, consulting, and any other consulting fees or charges not specifically mentioned.

The form on which this information is to be set out will be filed with the Dominion Statistician, and the information as contained therein will not be available in detailed form to the public. The facts as contained in Section B of the form will be put together in summary form in such a way that it cannot be related to any particular company. However, summaries are to be made public annually. I presume that by "summaries" it is intended to take all the industries of one particular class—for instance, the textile industry—put them together and prepare a summary with respect to that class, so that one cannot identify any specific industry about which information has been filed.

Finally, material filed under Section B of the act cannot be revealed or used in connection with any civil proceedings. However, the information can be revealed if criminal proceedings depend upon it and arise under the act itself and not otherwise. In other words, on an investigation under the Combines Investigation Act none of this information would be available for an investigation, and none of it could be used on a prosecution. Furthermore, if an investigation is conducted under any taxation act I understand that none of this information is to be made available on the investigation and none of it can be used on any prosecution instituted under any such act. That is all I wish to say on corporations, for the moment.

Honourable senators, with respect to labour unions, they are required to prepare and file the type "A" disclosure and the type "B" disclosure. The type "A" disclosures are to be made available to the public, while the type "B" are to be available only in collated form, not with respect to any particular union. Both types of statement must be filed with the Dominion Statistician.

Hon. Mr. Reid: With regard to clause 9(b)(ii)—(B) members dues per capita—will provision be made to separate the dues paid for political purposes and those paid for the running of the union?

Hon. Mr. Brunt: I am coming to unions now. I think I have set out in fair detail what they have to disclose.

In connection with the type "A" disclosure which must be made, a union is required to make the following disclosures: the name of the union, the address of its headquarters, its constitution, the name and address of each officer of the union and the position in the union held by each officer, the name, address and nationality of each officer and employee of the union resident in Canada, with an exception being made for those persons who are primarily engaged in clerical or stenographic work. The union must also set forth the manner of election or appointment of such officers. The return must also disclose the name and address of each local union or branch of the union in Canada and, further, the name and address of each officer of such local union, the number of its male members and the number of its female members.

Unions will also be required to furnish the name of each local union in Canada which is under a trusteeship and, in addition, the union will have to provide the date of such trusteeship and the reasons for its existence.

The last requirement in the type "A" disclosure is that all unions shall furnish the name and address of each employer or association of employers residing in Canada with which a union has a collective agreement.

In addition to this type "A" information, as I call it, unions, like corporations, are also required to make a disclosure under Section B, and as far as unions are concerned this information is confidential.

The first information a union has to file under this section is its financial statements, including assets, liabilities, income and expenditures, such statements to be in the form prescribed by the regulations which will be passed under this act. Secondly, with respect to international unions which are defined as unions having headquarters situated outside of Canada, they are required to disclose the total payment made by Canadian members for the following: initiation fees, members dues, health and welfare assessments, death benefit assessments, strike benefit assessments, fines paid, and sums paid for work permits. This information, like the union's financial statement, is confidential and will not be made available to the public.

Furthermore, the bill provides that each statement required to be filed shall be certified by the president or vice-president and by the secretary or treasurer or such other officer as may be authorized only by the corporation or union.

There is the further requirement that each statement made up under Section B of the bill shall be accompanied by the corporation auditor's report and/or the union auditor's report. In each case such report must be signed by the respective auditor.

This bill provides penalties for companies or unions who fail to file returns. They may be fined $50 a day for each day the return is in arrears. The bill contains an identical provision for corporations and unions whereby the minister can demand by registered mail the filing of returns as required under this bill.

It should be pointed out that each confidential employee of the Bureau of Statistics is entitled to pass along to any other confidential employee of that bureau, without hindrance, any information which is filed with the bureau under Section B of this bill. Further, such confidential employee of the Bureau of Statistics, under section 14(5), may pass along any information to any official or authorized person to be used for any purpose relating to the determination of policy in connection with the formulation of any law in Canada or the ascertainment of any matter necessarily incidental thereto.

Hon. Mr. Hayden: Is that what section 14(5) says? Does it not say exactly the opposite?

Hon. Mr. Brunt: That was my understanding, but I shall check it. Is that not what it says? It makes an exception regarding other persons, for purposes stated.

Hon. Mr. Hayden: May I indicate the point of my question. Section 14(5) is an exception in connection with the communication of information. It comes under Section B information. It says in this exception that "any official or authorized person" may for certain purposes "communicate or allow". I ask how the information gets to an official or authorized person under this bill so that he would have it and therefore could communicate it?

Hon. Mr. Brunt: My understanding of the working of the bill is that it gets to that person from a confidential employee of the Bureau of Statistics.

Hon. Mr. Hayden: Where does the bill say so?

Hon. Mr. Brunt: It may have to be amended, if it is not correct.

Hon. Mr. Hayden: It does not say so.

I should like to ask one other question at the same time. All this information goes to the Dominion Statistician, but the bill does not say what he is to do with it. Has the honourable senator found out what he is supposed to do with it?

Hon. Mr. Brunt: I understood that non-confidential information would go over to an office set up by the Secretary of State.

Hon. Mr. Hayden: I am talking about Section B information.

Hon. Mr. Brunt: Like all other confidential information it remains with the Dominion Statistician.

Hon. Mr. Hayden: Then he has no authority to communicate.

Hon. Mr. Davies: The honourable senator has referred to broadcasting stations. Item 13 in the schedule says:

> A corporation that is licensed under the Radio Act to establish a broadcasting station.

Does the phrase "licensed broadcasting station" include a television station?

Hon. Mr. Brunt: Yes, I presume it does, since that is a form of broadcasting.

Hon. Mr. Davies: They also operate under the Canadian Broadcasting Act?

Hon. Mr. Brunt: Yes.

I should point out that in all other cases any civil servant who passes on any information filed with the Dominion Statistician under Section B of the bill runs the risk of being charged criminally in a summary way and, if convicted, can be fined in any amount not exceeding $1,000, or imprisoned for a term not exceeding three months, or punished by both fine and imprisonment.

There are two final points I should like to mention. First, the Minister of Trade and Commerce is the minister designated under this bill, and he shall report annually to Parliament with respect to all returns which are filed.

Secondly, the Governor in Council may make regulations for the carrying into effect of proposals and provisions outlined in this bill.

In order that there may be no misunderstanding, honourable senators, may I say that if and when the bill receives second reading I intend to move that it be referred to the Committee on Banking and Commerce, as I mentioned earlier, so that a very thorough study of the whole measure can be made there. This seems to me to be an important bill and I feel that a thorough study should be made of it.

Hon. T. D'Arcy Leonard: Honourable senators, may I compliment the honourable senator from Hanover (Hon. Mr. Brunt) who, in his usual efficient way, has very competently and very clearly explained the bill to us. I understand that he is leaving for some other place—I hope it is not western Ontario—and I might assure him before he goes that I propose to support this bill on second reading.

I have no quarrel with the principle of the bill. My remarks will be addressed to two aspects, one being the practical application of the bill and the other being the policy-making decisions which may follow at some later date after this bill has been in effect.

When this bill was introduced in the other place, the Minister of Justice quoted on second reading from an address given in 1960 by the Right Honourable the Prime Minister to the Canadian Chamber of Commerce in Great Britain. I should like to quote some of the remarks made by the Prime Minister. He said:

> We have made it clear that we expect foreign concerns operating in Canada, or Canadian subsidiaries of foreign companies, to carry on operations as Canadian businesses. We expect them to make available a fair portion of their equity securities for purchase by Canadians; to include Canadians on their boards of directors; to make proper disclosures of their Canadian operations; to employ competent Canadians in senior management and technical positions; to conduct a fair share of their research in Canada; to purchase their requirements within Canada if those are available on competitive terms; and not to be denied by those in control a fair opportunity to sell their Canadian products in export markets.

On the whole, most Canadians will agree that these are desirable goals to pursue, provided we pursue them by proper methods and not in any spirit of zenophobia or distrust or dislike of the foreigner, but in a spirit of fair play and in the maintenance of a favourable investment plan for our future development.

Indeed, I think that most of the suggestions contained in that quotation from the remarks of the Right Honourable the Prime Minister followed similar suggestions in the report of the Gordon Commission, which made a very careful analysis of the whole position of Canada with respect to our foreign investments. Certain conclusions were reached and certain recommendations were made by Mr. Walter Gordon and the members of that commission.

I should like to point out, in the first place, that this bill has not carried out all those matters referred to by the Right Honourable the Prime Minister. I think there were altogether some seven points in that quotation. This bill fulfils only one of them, namely, the making of proper disclosure of Canadian operations.

If it is conceived by anyone that this bill was designed to implement the policy set out by the Right Honourable the Prime Minister, one might reasonably feel that indeed the mountain had laboured and brought forth a mouse. All this bill does is require the disclosure of information. It does not deal with the matter of directorships and equities, and as far as I am concerned I am quite happy that it does not, because I do not think the present situation requires any legislation. It certainly requires no legislation of a discriminatory character, or legislation that would be displeasing to foreign capital in those respects.

This bill, in so far as it requires the disclosure of information, is not new or revolutionary in principle. Similar powers to obtain information now exist under the Statistics Act and various statutes dealing with different kinds of companies. I do not think any individual company or person can take serious objection to the principle involved in this bill or to the disclosure of the information that is required, any more than the filing of income tax returns to the proper department of government can be objected to.

However, the practical application of the bill is another matter. Of what use will be the information that is obtained? There is also the possibility of further legislation resulting from this bill. The first thing that strikes me is that, even though the avowed purpose of the bill is to obtain information as to the foreign-controlled sector of our economy, it applies, nevertheless, to all companies doing business in Canada with the exceptions that have been stated by the honourable senator from Hanover (Hon. Mr. Brunt), which exceptions have no relationship to the question of foreign ownership or control.

The exceptions, if I may deal with them for a moment, are, in the first place, certain companies, such as the honourable senator from Kingston (Hon. Mr. Davies) referred to, from which this kind of information can already be obtained and where it is readily available. Such companies are not required to file this information. The other class of excepted companies comprises those the assets of which indicate that the information to be obtained would be of no value. All other companies doing business in Canada, whether private or public, whether incorporated under a provincial act or a federal act, must file these returns.

It is estimated that approximately 25,000 companies will have to supply this information, although at the time of the Gordon Report rather less than 5,000 companies were deemed to be in the category of foreign-owned or foreign-controlled companies. Even though that figure were set as high as 6,000, and the purpose of the bill is to obtain information as to this kind of control in our country, nevertheless, some 25,000 companies will have to make a return. There will be thousands upon thousands of companies, purely local in character and having no foreign ownership, no foreign interest and no foreign business, which will be required to make out these returns, compile them and have them processed, and so forth. In a way, we do seem to be using a sledge hammer to swat a fly. It seems to me to be a very costly and cumbersome way of obtaining the information required, and it is my opinion that before many returns are filed—perhaps after the first year—the Government will find it necessary to increase the exemptions.

The lower level, for example, should be raised, and the figures of $500,000 of business and $250,000 of assets should be doubled so as to eliminate all those companies whose figures will be of no real value or concern.

My next observation is with respect to the use of the information. It will have to be filed, analysed, put through electronic machines, checked and summarized. It is at that time that the question of any further action or any further policy making will come up. Here I should like to make some remarks as to the kind of approach we should make towards dealing with this question of foreign investment.

Canada, throughout its history, has depended largely upon foreign capital for its growth and expansion. We could not have made the progress we have, nor could we enjoy the standard of living that we now do, had it not been for the help of money from abroad. A country such as ours, although having very great wealth in natural resources, is still comparatively young and cannot generate the total volume of savings required to carry the capital investment needed, and of necessity we have had to depend on foreign capital. Foreign capital has been good to us, and we have been good to it. We have provided a favourable climate for it, and it has come here and helped us. Foreign investors also have done well.

This has been the case throughout our history, and it will continue to be the case for a great many years to come. Even though we have made considerable progress in the

repatriation of our foreign debt and the ownership of our Canadian assets, we shall not be able to find enough capital in Canada to maintain the growth that we must maintain over a considerable number of years ahead.

We have made some progress. For example, back in 1939 the total amount of our net foreign debt was about equal to our gross national production for one year. Our net foreign debt now is something less than one-half of our gross national production. So, looking at it from that angle the problem now is less serious, and we are moving in the direction of the repatriation of our foreign debt. However, there is a right way of going about it and there is a wrong way.

As an example of the wrong way of going about it, one has only to look at what has happened recently in Brazil. One of the states of Brazil has seized a Canadian company, and had it not been for the intervention of the State of Brazil itself a step would have been taken which would have been most unfair to Canadians.

The policy we should adopt, in my opinion, is a policy based upon the maxim of doing unto others as you would like them to do unto you. In that connection we must remember that we Canadians now have a large stake in other countries. We ourselves have considerable foreign investments, and we have been increasing them quite rapidly. Some $8 billion or $9 billion belonging to Canadian governments, Canadian businesses, and Canadian citizens is now invested outside Canada. Not only is it a good, sound moral philosophy to do unto others as you would have them do unto you, but there is a great deal of practical wisdom in it when it comes to our treatment of foreign capital invested in Canada. We should treat it so that there will continue to be a favourable investment climate for it in this country.

I mentioned an improper way of going about repatriating, by the arbitrary seizure of a company, and I deplore anything in the nature of discriminatory legislation. There are proper ways for increasing Canadian ownership of our important assets. For example, we Canadians can increase our own savings and to that extent finance a good deal more of our capital requirements out of such savings. We have not yet reached the maximum amount that we could and should put away in savings each year.

Another thing is that possibly we have been too prone to invest in the safer classes of securities—and I am speaking now not only of individuals but of investing institutions as well—in Government bonds and corporation bonds, and not participating sufficiently in equities, particularly in Canadian growth companies. We have to have faith in our country and invest in those equities which will help build up Canada. There is a happy medium, of course, between ultra-conservatism in investment on the one side and speculation on the other, and I think that that happy medium is the goal we ought to pursue.

Enlightened self-interest on the part of these companies will cause them gradually to recognize the value of having more Canadians participate in their ownership, management and directorates. It is a desirable thing that by the combination of increasing our own ability to play our part in these companies, and in the repatriation of the foreign-owned assets, and by the enlightened self-interests of foreign companies and, finally, in so far as legislation is required that it be by way of incentives, for there are desirable ways in which legislation by way of incentives, without penalizing foreign investment, can encourage the gradual repatriation of foreign-owned Canadian companies and enterprises into Canadian hands.

Honourable senators, that is all I have to say with respect to this bill in so far as it applies to Canadian companies. There is also a part dealing with labour unions but I have not touched upon it because there are others in this house who are better qualified than I to speak on this subject. I would only say that it does seem to me, based on information normally obtained from companies, that it is well within the scope of labour unions also to furnish the information required here; although, again there is some question in my mind as to what might be the practical use of such information. For example, I wonder why in a bill designed to obtain information from labour unions as to their foreign and international aspects, information is required as to the difference between male and female members of the union. I would have been inclined to let the matter rest with the words of the member of the Chamber of Deputies in France who said, *"Vive la différence"*, but for some reason or other the information is required.

Honourable senators, I am happy to support the bill on second reading and am glad that it is going to committee for consideration and study.

Hon. Salter A. Hayden: Honourable senators, there are just a few comments I would like to make about this bill. First of all, I cannot oppose it because in so many aspects the information which the bill requires is information which substantially is given under existing legislation or could be obtained by simple amendment to existing legislation. Since it is quite likely that during the period I have been a member of the

Senate some of these bills to which I shall refer have been before us, and I have in some fashion joined in their passage, it would be foolish for me now to speak against the principle of the present bill.

May I say that it is desirable this bill should go to committee for, in some respects, in the language it employs, it provides exactly the opposite to what the sponsor of the bill explained was its intention, purpose and operation.

May I point out to you that under the Statistics Act, which has been in force in Canada for a long time, and which is a subject matter that belongs to the federal authority—so that there can be no question of constitutionality—there is the widest power in the world for the collection of information. The Dominion Statistician, who is appointed by the Governor in Council, is given exceedingly broad powers under the direction of the Minister of Trade and Commerce to organize and maintain a scheme of co-operation in the collection, classification and publication of statistics as between the several departments of government, to supervise generally the administration of the Statistics Act, to report annually to the minister, and to advise on all matters pertaining to statistical policy.

The minister himself has the broadest power under section 5 of the Statistics Act. He may employ from time to time, in the manner authorized by law, such commissioners, enumerators, agents, and so on, to collect for the bureau such statistics and information as he deems useful and—note these words—in the public interest, relating to such commercial, industrial, financial, social, economic and other activities as he may determine.

There you see in the Statistics Act the broadest power vested in the minister and in the Dominion Statistician, under the minister, in connection with the gathering and the compilation of information.

I am not particularly concerned with the Section A information, but in looking at the Section B information, which is supposed to be confidential, I think some of the purposes of the original bill were not fully studied when it was decided to change the set-up of the bill and produce this division between Section A and Section B information. Under the Statistics Act all information is confidential and only compilations and reports, more general and without any individual statements, are made available to Parliament.

Under Section B the information provided for in this bill goes to the Dominion Statistician, and unless he operates under the provisions of the Statistics Act there is nothing in the bill before us that tells him what he is to do with the information. The bill, however, provides that an official or an authorized person may communicate this confidential information to another person for any purpose related to the determination of policy in connection with the formulation of any law in Canada or the ascertaining of any matter necessary and incidental thereto. Now, both an "official" and an "authorized person" are defined in this bill. An official means any person employed in, or occupying a position of responsibility in, the service of Her Majesty, and includes any person formerly so employed or formerly occupying such a position.

I assume that would apply at any time to a major, a colonel, or a general in Her Majesty's forces, who is still living, and that such person would qualify under the definition of an official. The term "official", in this definition, is much broader than that of an official in the Statistics Act, where the information goes to the Dominion Statistician. Under this bill, information may be exchanged among officials in the Bureau of Statistics but I have not been able to ascertain how the information could get to an official who is not in the bureau.

So you have what I suggest is not the best draftsmanship in the world. If the purpose is that the Dominion Statistician is to receive the confidential information, he would treat it in the same way as he treats information in the regular performance of his duties under the Statistics Act. He releases no particular information in relation to any particular individual, but he does submit summaries or compilations to the minister, if the minister requires them, and they are presented to Parliament.

May I for a moment indicate how much information is obtained now. The sponsor of the bill (Hon. Mr. Brunt) indicated what information is sought under this bill. Section B of Part 1 of the bill requires a financial statement consisting of a balance sheet, a statement of income and expenditures and a statement of surplus. Section 121(1)(a) of the dominion Companies Act requires all that information in relation to public companies. The Dominion Statistician under the Statistics Act uses the provincial authorities as his agents for the compilation of any information he wishes to get, so that the machinery already exists for getting at provincial companies.

Another provision of the bill deals with total amounts paid or credited, divided into separate categories as listed in the bill, to persons not resident in Canada. The Dominion Bureau of Statistics' schedule MF.1, which is

entitled, "Movement of funds between Canada and other countries", covers all individual items in this bill from (A) to (N), except items (C), which deals with rent on real property in Canada, and (D) rent on equipment used in connection with the business carried on by the company in Canada.

With regard to dividends, which is another bit of required information under the bill, the Dominion Bureau of Statistics' schedule 15 requires to have reported the payment of dividends. That will also be found under the Dominion Bureau of Statistics schedule MF.1. Interest will also be found under this schedule.

Rent on real property, and rent on equipment—there is no provision for these. However, it would be simple to add two lines, and there is authority in the Statistics Act to do so.

So far as unions are concerned, you may say, where is the authority to get information from unions now. Under the Statistics Act the authority given is broad enough, because it is in relation to individuals and corporations. While the authority is broad enough that the information could be required, it will be noted—and I think this will be made clear in committee—that as a matter of practice the information is gathered under the Department of Labour Act, is then referred to the Bureau of Statistics, and the Dominion Statistician has the authority to collect or collate that information under the Department of Labour Act. Section 4 of that act, under "Statistics" says:

> With a view to the dissemination of accurate statistical and other information relating to the conditions of labour the Minister shall collect, digest, and publish in suitable forms statistical and other information relating to the conditions of labour, shall institute and conduct inquiries into important industrial questions upon which adequate information may not at present be available—

And so forth. It also provides for publication in the *Labour Gazette*. So if you are looking for the basic authority to gather the information required to be furnished under Sections A or B of this bill, it now exists under the Statistics Act and the Department of Labour Act. Furthermore, as to dominion companies, it exists under the dominion Companies Act.

We are therefore creating another piece of legislation to do what could very well have been done, in my submission, by an amendment to the Statistics Act and/or the Department of Labour Act. This will entail additional questions or the preparation of another form, because the information, either under this bill or the Statistics Act, goes to the Dominion Statistician. Therefore, it is going to the same place, and to that extent we are providing for some duplication. Perhaps that will become clearer as the bill starts to operate. It will be realized that to the extent that companies are required to prepare additional sets of forms, there is in a sense duplication of much of the information they are already furnishing to the Bureau of Statistics. This means additional expense and more paper work, and that should not be required of them because all these elements add to the matter of cost.

Hon. Mr. Croll: May I ask one question?

Hon. Mr. Hayden: Yes.

Hon. Mr. Croll: You specified certain acts which require information. Is that information not supplied on a voluntary basis?

Hon. Mr. Hayden: No.

Hon. Mr. Croll: Under the Statistics Act?

Hon. Mr. Hayden: No. There are penalties provided. For instance, section 35 of the Statistics Act provides:

> Every person who, without lawful excuse (a) refuses or neglects to answer, or wilfully answers falsely, any question requisite for obtaining any information sought in respect of the objects of this Act or any regulation, or pertinent thereto, that has been asked of him by any person employed in the execution of any duty under this Act or any regulation; or
>
> (b) refuses or neglects to furnish any information or to fill in to the best of his knowledge and belief any schedule or form that he has been required to fill in, and to return the same when and as required of him under this Act or any regulation, or wilfully gives false information or practises any other deception thereunder;
>
> is, for every such refusal or neglect, or false answer or deception, guilty of an offence and is liable, under summary conviction, to a fine not exceeding one hundred dollars, or to imprisonment for a term not exceeding three months, or to both fine and imprisonment.

So that, as one would expect, the Parliament of Canada has, under the act, jurisdiction over the question of statistics, and if it requires information to be furnished pursuant to the authority vested in it, and that information is refused, that refusal creates an offence and a penalty is provided.

Honourable senators, I wanted to bring other matters to your attention at this time. However, the bill has been thoroughly discussed, and many of the points I wished to raise may be more properly dealt with when the bill goes to committee, at which time the

information may be forthcoming. However, the big question in my mind is, why a separate bill? If I may make a comment, for the reasons I have stated, the bill has not the importance that would merit its being placed on a pedestal as one of the great and memorable pieces of legislation of all times, because the authority this bill purports to provide exists now and, in my submission, could be exercised under the present legislation with practically no amendments thereto.

I say we should look carefully before we saddle business concerns with the responsibility of doing more paper work, filling out more returns and duplicating information which is already available either in the Bureau of Statistics or in the Department of Labour, or which could quite easily be collected on some of the forms they are now using. In that way a lot of this duplication would be avoided, as well as a lot of expense.

Hon. G. Percival Burchill: Honourable senators, I rise to make a plea for the businessman. I have listened this afternoon to three speakers touching on different points of this legislation, and as I sat here I wondered if the members of this Parliament realized that every time an act is passed asking for further information from Canadian businessmen, an additional load is placed on them, making it harder for them to carry on.

I am sure anybody who is at all familiar with business in this country is conversant with the complaints that one hears regarding the amount of office work involved in completing Government returns. I sometimes wonder if we forget that these concerns are in business primarily to make a profit, and think that they are simply in business for the purpose of filling out Government returns. Quite a portion of the clerical staffs of Canadian business organizations are engaged almost full time filling out Government returns.

First of all, they have to file returns with the municipality; then they have to file numerous returns with the provincial Government, and on top of that they have to file a great many returns with the federal authorities. I am sure that my honourable friend from Halifax-Dartmouth (Hon. Mr. Isnor), or any other member of this chamber who is engaged in business, will verify what I have said.

It is all very nice to have this information, but I just want to warn the Government that every time legislation is passed which requires business people to file more returns, the Government is not increasing its popularity with the business world. It is putting shackles on business. The freer business is to conduct its operation the better it is for all concerned.

Honourable senators, on behalf of Canadian businessmen today I want to protest against all these requests for multitudinous returns.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Aseltine, for Hon. Mr. Brunt, bill referred to the Standing Committee on Banking and Commerce.

INTERNATIONAL WHEAT AGREEMENT

Leave having been given to revert to Order for Motions:

Hon. Walter M. Aseltine moved:

> That it is expedient that the houses of Parliament do approve the International Wheat Agreement to be opened for signature at Washington, D.C. on April 19, 1962, and that this house do approve the same.

The Hon. the Acting Speaker (Hon Mr. Choquette): Honourable senators, is it your pleasure to adopt the motion?

Hon. Arthur M. Pearson: Honourable senators, at the Senate sitting last evening, it was moved by Honourable Mr. Aseltine, and seconded by Honourable W. Ross Macdonald, that it is expedient that the Houses of Parliament do approve the International Wheat Agreement to be opened for signature at Washington, D.C. on April 19, 1962, and that this house do approve the same.

Hon. Mr. Macdonald (Brantford): I don't think I seconded the motion to approve it.

Hon. Mr. Aseltine: No. Yesterday I just gave notice of the motion that is now before us.

Hon. Mr. Macdonald (Brantford): I am not objecting to it, but I do not want to be credited with seconding the motion.

Hon. Mr. Aseltine: The motion that was seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) had to do with the printing of the agreement in Senate *Hansard* and in the *Minutes of the Proceedings of the Senate.*

Hon. Mr. Pearson: Pardon me, I stand corrected.

Honourable senators, this is the fifth International Wheat Agreement to be negotiated, the first being, as you will remember, in 1949, the second in 1953, the third in 1956, and the fourth in 1959, each for a term of three years ending on July 31 of the third year.

The maximum price in 1959 was set at $1.90 per bushel, and the minimum at $1.50

per bushel, in Canadian currency, for No. 1 Northern wheat f.o.b. Fort William-Port Arthur. There was a meeting called to consider a new wheat agreement on July 31 last at Geneva. Some sixty countries took part in these negotiations. A number of them, of course, were there as observers and took no part in the actual negotiations. These negotiations came to a successful conclusion on March 9, 1962 and the resulting agreement is now presented to this house and to the other place for ratification.

Honourable senators will note that approval of this agreement by both houses has been asked before this instrument is signed on behalf of Canada by our ambassador at Washington.

This agreement has the support of the heads of all the producer organizations in western Canada.

The chief members of the Canadian delegation were J. H. Warren, Assistant Deputy Minister, Department of Trade and Commerce; C. F. Wilson, Consul General for Canada at Chicago; and W. C. McNamara, Chief Commissioner of the Canadian Wheat Board. Other important members were producer advisers: A. W. Runciman, President, United Grain Growers, Winnipeg, and J. S. Stevens, Director, United Grain Growers, Winnipeg.

The heads of the three wheat pools were present: W. C. Gibbing, Saskatchewan Wheat Pool, Regina; Gordon L. Harrold, Chairman, Alberta Wheat Pool, Calgary; and W. J. Parker, President, Manitoba Wheat Pool, Winnipeg. A. B. Gleave, President, Saskatchewan Farmers Union, was also present. The last six I have mentioned are on the advisory board of the Canadian Wheat Board.

Hon. Mr. Lambert: May I ask the honourable senator if any of the private trading organizations in the Winnipeg Grain Exchange were represented there?

Hon. Mr. Pearson: I do not have that information.

Our thanks is due to these men for the successful conclusion of the negotiations. I might say, honourable senators, that the Canadian delegation has considerable influence in these negotiations. If honourable senators will refer to Annex "B", at the end of the appendix to yesterday's Senate *Hansard*, you will find that Canada and the United States each have 290 votes. The second most influential countries are Australia and Russia, each with 125 votes.

There were certain revisions included in the International Wheat Agreement which has just been negotiated. The main provisions of the new agreement are summarized in the appendix to this memorandum. From a Canadian point of view, the first and main provision is represented in an improvement over 1959 of the higher price range, the maximum now being $2.025 and the minimum $1.625 per bushel in Canadian currency, as compared to last year's figure of $1.90 maximum and $1.50 minimum.

Secondly, there is the heavier obligation of the importing countries and the improved safeguards for commercial marketing. Thirdly, there is in addition the strong prospect that the U.S.S.R. will ratify this agreement. If it does so it will widen the membership to cover all the important exporting countries. Under the present agreement there are nine exporting countries, the principal ones being Argentina, Australia, Canada, France and the U.S.A., plus the occasional exporters, Italy, Mexico, Spain and Sweden. There are 30 importing countries and, subject to ratification, one more will be added, namely, Poland.

This agreement will be for a period of three years, ending July 31, 1965. The objectives remain the same as those set out in the 1959 agreement, but there is greater recognition of the importance of commercial sales of wheat to the economy of certain exporting countries and of the need to encourage consumption in the less-developed countries where the potential is greatest.

At this point I might set out the objectives. They are:

> (a) to assure supplies of wheat and wheat-flour to importing countries and markets for wheat and wheat-flour to exporting countries at equitable and stable prices;
>
> (b) to promote the expansion of the international trade in wheat and wheat-flour, and to secure the freest possible flow of this trade in the interests of both exporting and importing countries, and thus contribute to the development of countries, the economies of which depend on commercial sales of wheat;
>
> (c) to overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat—

which we sometimes have, notably this year in western Canada.

> (d) to encourage the use and consumption of wheat and wheat-flour generally, and in particular, in developing countries, so as to improve health and nutrition in those countries and thus to assist in their development; and,
>
> (e) in general to further international co-operation in connection with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

There was introduced for the first time in the 1959 agreement an obligation by individual importing countries to purchase annually, at prices within the price range, a specified minimum percentage of their commercial requirements from member exporting countries. These percentage obligations under the 1962 agreement have been raised. I would refer honourable senators to Annex "A" at the end of the appendix to Senate *Hansard* of yesterday, where is set out the percentage that these countries import. They have been raised in keeping with the past performances of the importing countries.

In the case of non-participation in or withdrawal from the agreement by an exporting country, provision is made for a proportionate reduction in the percentage undertakings of importing countries. In other words, these percentages that the importing countries agree to buy will be reduced proportionately if one of the exporting countries withdraws from this agreement.

Provision has been made for the recording of all commercial sales—and this is quite an added feature—to importing countries to the international council in order to determine whether countries have met their percentage undertakings, and also for the purpose of establishing the quantitative obligations of exporting countries. In addition to commercial transactions, provision is made for the recording of special transactions, including surplus disposals, defined as those which depart from normal practice as a result of Government interference. These special transactions are not part of the rights and obligations of the member countries but, together with commercial transactions, are subject to examination by the council at the annual review of the performance of the various countries.

Honourable senators will remember this annual review was one of the most constructive features of the 1959 agreement, being the introduction of a comprehensive review of developments affecting the world trade in wheat. This practice will be continued under the present instrument.

The review relates to national production, stocks, prices and trade, including surplus disposals. For the purposes of the review on surplus disposal, member countries are required to inform the wheat council of measures taken by them to increase consumption, to ensure that the disposals take place in an orderly manner, and to ensure that these special terms will not be harmful to normal patterns of production and international commercial trade.

If honourable senators will refer to Part VII of the Agreement they will note that Clause 5 of that Part provides as follows:

> Part I and Parts III to VII of this Agreement shall enter into force on 16 July 1962 and Part II on 1 August 1962, between those Governments which have by that date deposited instruments of acceptance or accession under paragraphs (2) or (3) of this Article, provided that such Governments hold not less than two-thirds of the votes of exporting countries and not less than two-thirds of the votes of importing countries—

I trust honourable senators will approve of this agreement.

Hon. Norman P. Lambert: Honourable senators, I note that my honourable friend from Lumsden (Hon. Mr. Pearson) in his presentation indicated that this wheat agreement was adopted at the final plenary session of the United Nations Wheat Conference held at Geneva on March 10. I wonder if that Wheat Conference was under the auspices of the Food and Agriculture Organization of the United Nations.

Hon. Mr. Pearson: That is quite right.

Hon. Mr. Lambert: Ever since the United Nations organization was formed, FAO has been attempting to rationalize the distribution of wheat throughout the world. As the honourable senator has stated, we have now had over ten years, experience in connection with international wheat agreements. Having scanned this present agreement rather hurriedly, I have not had an opportunity to compare it closely with the previous agreement, but obviously it consists of a series of very flexible clauses dealing with the old and tremendous problem of distributing supplies of wheat available in exporting countries to those countries which may be considered as importing countries.

In our past experience under the International Wheat Agreement the whole outcome has been subject to varying conditions, due to different economic factors affecting the relations between the exporting countries and the importing countries. For example, one year Great Britain withdrew from the agreement, and in another year we had the rather irritating experience of our neighbour selling wheat, contrary to the understanding of the agreement, at forced sale prices.

We have, therefore, to consider the whole question of subsidization in the United States to the extent of billions of dollars today, in support of wheat prices, and the effect of that fact on the working of this agreement.

I do not intend to go closely into the provisions of this agreement now, but I think it would be very important to have it referred to the Natural Resources Committee, or to the Banking and Commerce Committee. In

that event, we might receive some more enlightenment regarding the performance of the International Wheat Agreement, for example, in relation to the Wheat Board, which is charged with the sale of Canadian grain abroad.

Having taken an interest in this subject for some time, I feel that nothing definite can be said yet regarding this experiment in international co-operation in the marketing of these vast surpluses of wheat. As the honourable senator from Lumsden (Hon. Mr. Pearson) pointed out, one hopeful feature of this agreement is that the minimum-maximum price is increased by 12 cents per bushel over that of the previous three-year period. This would suggest that the surpluses from the exporting countries are gradually being dissipated and that the demand for wheat estimated by this conference will be greater in the next three-year period than it has been in the past three-year period. If that is so, everyone here will agree that it is welcome news.

In view of the problem of increasing surpluses, which we have had to face for so long, it is fortunate if the wheel seems to be turning the other way now. We all know that the results of last year's crop are disappointing and that the prospect for this year is none too good as yet. However, that may apply to other countries as well and may enable the parties to this agreement to arrange a 12-cent advance in price, on the basis of No. 1 Northern, delivered at Fort William.

While complimenting the honourable senator from Lumsden (Hon. Mr. Pearson) on the information he has given us, I would suggest that some of the officials who have been closely connected with this matter should be able to enlighten us further. I would mention particularly Mr. Wilson, whom I have known for a good many years. There is also Mr. McNamara, who is located in the west. Furthermore, there was an official of the Department of Trade and Commerce present at the Wheat Conference. I think these people should be present at the meetings of our committee to give us more enlightenment on the details of this very flexibly-worded document.

Hon. Austin C. Taylor: Honourable senators, I should like to say a few words on this bill. I am familiar with the groundwork undertaken with the original International Wheat Agreement when it was arranged and consummated. I recall quite vividly the work of the farm organizations in Canada, and more particularly that of the Canadian Federation of Agriculture in the presentation to the Government of that day.

We all recognize that no act of Parliament is foolproof and that there probably are some loopholes in every act. However, this seems to be a good agreement. It is an agreement that is supported by all farm organizations in Canada, both east and west. So far as I am concerned I would like to see more international agreements on agricultural commodities. The international wheat agreements have brought a degree of stability to the wheat producers of western Canada that did not exist before, and it is my opinion that if we had more such agreements there would be still greater stability in agriculture across Canada.

I support the agreement in full. As I have said, it is probably not perfect, but then I do not think any agreements are. It is another attempt to reach an understanding between importing and exporting nations.

One thing that confuses me is the relationship of the votes. What happens when those of the exporting countries and those of the importing countries are equal and there is a tie vote? I do not suppose that will ever happen, but I wonder what would be the result. I do not know whether the honourable sponsor of this agreement knows the answer. However, I do wish to repeat that I support the International Wheat Agreement, and I hope that it will be referred to the Standing Committee on Natural Resources for further study.

Hon. Mr. Lambert: Honourable senators, may I mention one further point that I omitted? In Annex B there is a record of the votes of the exporting countries, but naturally there is no estimate of the supply of wheat available for export in terms of millions of bushels. While I realize it is impossible to obtain an accurate figure, I think it would be very interesting to have the best information as to the surplus available from the exporting countries at the end of this crop year in prospect for next year.

Hon. Mr. Burchill: Honourable senators, I was unavoidably absent from the chamber when the honourable sponsor (Hon. Mr. Pearson) explained this agreement. Would he advise me, with respect to the minimum and maximum prices, what is the f.o.b. shipping point?

Hon. Mr. Pearson: Fort William.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Aseltine, P.C., seconded by the Honourable Senator Pearson:

> That it is expedient that the Houses of Parliament do approve the International Wheat Agreement to be opened

for signature at Washington, D.C., on April 19, 1962, and that this House do approve the same.

Is it your pleasure to adopt the motion?

Carried.

REFERRED TO COMMITTEE

Hon. Mr. Lambert: Honourable senators, this is an international agreement, and I wonder whether my honourable friend would like to refer it to a committee so that we may obtain further information. However, I shall not insist upon it.

Hon. Mr. Aseltine: Honourable senators will remember that I sponsored the International Wheat Agreement in 1959. I also moved this motion today, but I asked the honourable senator from Lumsden (Hon. Mr. Pearson), who is familiar with wheat matters, to explain the agreement. It will be remembered that in 1959 the agreement was referred to the Standing Committee on Trade Relations. Perhaps this agreement should be referred to the Standing Committee on Canadian Trade Relations or a similar committee.

Hon. Mr. Lambert: The whole administration of the wheat business today is in the Department of Agriculture. I do not know whether it should be referred to the Standing Committee on Natural Resources or the Standing Committee on Banking and Commerce.

Hon. Mr. Taylor (Westmorland): Honourable senators, I think before this agreement is approved it should go before a committee so that we may know a little more about it.

The Hon. the Speaker: It is approved. It has already been dealt with.

Hon. Mr. Macdonald (Brantford): Mr. Speaker, I did not realize the motion had been agreed to. I know that Your Honour put the question, but I did not think it had carried.

The Hon. the Speaker: I read it slowly because there was a question of the agreement being referred to a committee, but there was no interjection.

Hon. Mr. Hayden: It can be reconsidered.

Hon. Mr. Macdonald (Brantford): Perhaps consideration can now be given to referring this agreement to a committee, though I realize it may be a little irregular to do so. A few weeks ago we referred the Universal Copyright Convention to the External Relations Committee, which recommended that it be approved by the Senate, and it was approved.

Is it agreeable to the house that this agreement be now referred to the Standing Committee on Canadian Trade Relations?

Hon. Mr. Aseltine: Or to the External Relations Committee.

Hon. Mr. Macdonald (Brantford): Yes, either one. Approval of the agreement could be held up until tomorrow, or a later date.

Hon. Mr. Lambert: On what date is it to be opened for signature?

Hon. Mr. Pearson: April 19.

The Hon. the Speaker: If an honourable senator will move that the approval that has been given be rescinded, and also move that the agreement be referred to a committee, I will entertain such motions.

Is there unanimous agreement that this measure be referred to a committee?

Hon. Mr. Macdonald (Brantford): Agreed.

Hon. Mr. Aseltine: Honourable senators, under the circumstances I move that the International Wheat Agreement be referred to the Standing Committee on External Relations.

Motion agreed to.

REPRESENTATION ACT

BILL TO AMEND—SECOND READING

Hon. Fred M. Blois moved the second reading of Bill C-44, to amend the Representation Act (Halifax Electoral District).

He said: Honourable senators, at the outset I should say that this is not a Government bill. The purpose of it is to change the name of the federal electoral district of "Halifax" to that of "Halifax-Dartmouth and County".

The reason for asking for this change of name is that many people feel that "Halifax" refers only to the city of Halifax, while actually this is a dual constituency which comprises not only the city of Halifax but the city of Dartmouth, and also a large county area.

I believe that this is the third largest federal riding in Canada with a population, according to the 1961 census, of 225,723 persons. This constituency has been growing very fast, and in the last ten years the population has increased from 162,217 to its present figure of 225,723.

For your further information I would say that a little over a year ago the town of Dartmouth, as it was known at that time, amalgamated with various suburban areas of the district to become the city of Dartmouth with a population now of approximately 45,000 people.

It is felt that this new and fast-growing city should have proper recognition. It is also felt that if the riding were called Halifax-Dartmouth, the remainder of the county of Halifax would be without proper recognition.

It is for this reason the bill seeks to change the name of the riding from Halifax to Halifax-Dartmouth and County.

Hon. Gordon B. Isnor: Honourable senators, I am very pleased to be associated with the distinguished senator from Colchester-Hants (Hon. Mr. Blois), who presented this bill. I was born in Dartmouth and naturally I am proud of the continued growth and success of the city of Dartmouth.

This bill is not a Government measure. It was introduced by a private member in the other place who no doubt had in mind the approaching election. I am glad he introduced it, although he did so at a time when perhaps his chances of representing this constituency in the future are somewhat dimmer than they were a short time ago. Naturally he wants to do what he can for the riding he has been representing.

There has been a marked growth in both Halifax and Dartmouth. The sponsor has already mentioned that in 1941 the riding of Halifax had a population of 122,656. By 1956 this population had increased to 197,948, and finally to its present population of 225,723, an increase in twenty years of 103,067, making it the third largest riding in Canada. Halifax alone has a population of 92,511, while the city of Dartmouth has a population of 46,966.

Hon. Mr. Macdonald (Brantford): Is this a dual member constituency?

Hon. Mr. Isnor: Yes; and I am just wondering whether the sponsor in the other place had in mind eventually dividing the two, Halifax and Dartmouth, and calling one Halifax West and the other Dartmouth East.

As the sponsor of the bill in the Senate has said, the combination of names, Halifax-Dartmouth and County, is rather confusing. It would be strange, for instance, if I referred to the sponsor here as the honourable senator from Truro-Colchester-Windsor-Hants, involving the use of four names to designate two fine communities, Truro in the county of Colchester and Windsor in the county of Hants. I don't know whether people are going to like the three names, Halifax-Dartmouth and County, or whether it would have been better for the sponsor in the other place to have advocated that Halifax be represented by two members and that Dartmouth be represented by one member. Had he wished to pay recognition to the wonderful growth in population and prosperity of that section of the eastern side of Halifax harbour, he could very well have suggested Dartmouth be given representation in its own name.

The bill before the Senate is, of course, a little premature at this time for, as you all know, there is under consideration an electoral distribution of seats according to population and boundaries. I was wondering whether the introduction of the bill should not have been delayed, although I certainly do not propose to advocate delaying its passage at this stage. I want to see Dartmouth, with its population of 47,000, given proper representation, and if it cannot have a representative of its own I at least want to see it joined with Halifax and have the electoral district described as Halifax-Dartmouth and County.

Honourable senators, that is all I have to say about this bill. I am in accord with what the honourable senator from Colchester-Hants (Hon. Mr. Blois) has said and I am pleased to support the bill on second reading.

Hon. John M. Macdonald: Honourable senators, perhaps I should not intervene in a matter which concerns only the Halifax electoral district, but while I agree with all the nice things said by the sponsor, the honourable senator from Colchester-Hants (Hon. Mr. Blois), and the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), I think there are a few other remarks that should be made about the bill.

As I understand it, the present electoral district is Halifax, which includes the city of Halifax and the city of Dartmouth. The name Halifax is an old and honoured one in the province of Nova Scotia and it certainly means something to everyone in that community. The purpose of this bill is to give electoral recognition to the status of Dartmouth as a city, and to call the electoral district "Halifax-Dartmouth and County". I presume "County" means that portion of the county of Halifax which is not included in either Halifax or Dartmouth. If it is becoming desirable to change the names of the constituencies, then we should go further. After all, the cities of Halifax and Dartmouth are not the only ones in Nova Scotia. If we are going to change the names of electoral districts to pay compliments to certain cities, then we should go the whole way and change the name of Cape Breton South to include the city of Sydney. Perhaps we should go even further and change the names of all our constituencies so as to include the names of the various towns located in each constituency. The proposed name of Halifax-Dartmouth and County might be altered to Halifax-Dartmouth and County of Halifax, or perhaps the words "and County" should be left off altogether and it should be simply Halifax-Dartmouth, so that Halifax could be taken to mean either the county of Halifax or the city of Halifax.

Hon. Mr. Pearson: Why not include Sable Island?

Hon. Mr. Macdonald (Cape Breton): That is a fairly good suggestion. Perhaps the name of the riding should be Halifax-Dartmouth, the County of Halifax and Sable Island.

However, there are some objections from other parts of Nova Scotia in connection with this bill, and therefore I would like to see the bill referred to the Committee on Miscellaneous Private Bills, so that the matter can be discussed further before it is passed.

Hon. Jean-François Pouliot: Honourable senators, before the bill is referred to a committee I would like to say that when one looks at a list of the constituencies represented by the members of the House of Commons it is quite surprising to note how much it has become the fashion to use hyphenated names to describe them.

I have great admiration for the city of Halifax and for the sister city of Dartmouth. However, I find that this bill is unfair. It mentions only Halifax and Dartmouth. My honourable friend, the senator who just spoke (Hon. Mr. Macdonald, Cape Breton), said something very sensible when he said that Sable Island should be included in the name, and all the townships and parishes surrounding Halifax should also be mentioned, because if you are to mention Halifax and Dartmouth, why not Sable Island? Why ignore the bay that is near Halifax and all the small municipalities that surround the city of Halifax, which is like a diamond with encrusted pearls around it?

It is the fashion at this time to give to the constituencies of Canada names similar to those of grandees of Spain, which are so numerous that there is an overcharge on telegrams when they sign them with all their names. It is very easy to flatter a municipality, or a township, or a city. If Dartmouth is an important enough city, with a population of 45,000, there could be a county of Dartmouth—it is a good name—and the city of Halifax should be divided into two, as has been suggested, one side according to one of the cardinal points, and the other side next to it, and they would be separate counties. Why should we have just one constituency to elect two or three members of Parliament? The county would be better divided. There should be no constituency represented by two members of Parliament; the riding should be one constituency.

However, on account of the esteem that I have for my honourable friend, the sponsor of the bill (Hon. Mr. Blois), I will not insist on it. I have said what I wanted to say, and I will not insist on calling a division on this bill.

Hon. Mr. Higgins: May I ask the sponsor of the bill what is the population of Sable Island?

Hon. Mr. Blois: I believe it has the large population of five.

Hon. Mr. Higgins: Not counting the horses.

Hon. Mr. Pouliot: Ponies.

Hon. Mr. Isnor: May I add just a word that I forgot to mention? When in 1950 I was honoured by being appointed to the Senate I chose as my designation, Halifax-Dartmouth. I must have anticipated this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Blois, bill referred to the Standing Committee on Miscellaneous Private Bills.

REPRESENTATION ACT

BILL TO AMEND—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill C-46, to amend the Representation Act.

He said: Honourable senators will, I am sure, have observed during this session that this matter of renaming or adding to the names of various constituencies of Canada has assumed almost epidemic proportions.

This bill seeks to rename one of the ridings of Canada, this time in the very far west, in contrast to the bill discussed a few moments ago which concerned itself with a far eastern territory of Canada.

The present name of the riding that is involved in this bill is "Nanaimo" which, as I am sure all honourable senators are aware, is a small city on the east side of Vancouver Island. "Cowichan" is the name of a small city somewhat further north along the coast of the island. The constituency also contains various smaller islands, largely cluttered around the north of Vancouver Island, called the "Gulf Islands". It is now proposed to change the name of the constituency from "Nanaimo" to "Nanaimo-Cowichan-The Islands".

I think that is all I need to say to honourable senators in regard to this bill, except perhaps to add that the reason for the change is that Nanaimo originally was the main population centre of the riding, whereas now these other parts have assumed a greater importance by virtue of enlargements of population, business, and so forth.

Hon. Jean-François Pouliot: Honourable senators, I wonder if I should not convey to you some views I have about representation. Naturally, when the election comes there will

be someone who will be elected for the constituency of Nanaimo-Cowichan-The Islands, and it will be either a man or a woman. If it is a man, he will represent all the women of the constituency, even those who voted against him, and all the men of the constituency, both those who voted for him and those who voted against him; but the member will represent nobody else outside the limits of the constituency, unless he or she receives a special power of attorney to do so. Therefore, the elected member for that constituency will represent only that constituency. It would be absurd to say that if a man is elected there, he will represent all the men of British Columbia, or if a woman is elected there that she will represent all the women of British Columbia, or vice versa.

There is a distinction to be made between the elected members of Parliament and senators. A senator may be appointed as a tribute to a certain group of persons, for instance, new Canadians. A senator so appointed has much greater representation than a member of Parliament. There are lady senators who are appointed to represent a section of the country—and they do it very well—but on account of that, they represent a larger area than any member of Parliament.

That is what I wanted to say. I have said it, and I am sure that I have been well understood.

Motion agreed to, and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 12, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

VETERANS' LAND ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-80, to amend the Veterans' Land Act.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Walter M. Aseltine: Honourable senators, copies of the bill have been distributed, and the honourable senator from Royal (Hon. Mr. Brooks), who is a former Minister of Veterans Affairs, wishes to explain the bill this afternoon, if possible. If that is agreeable, I would ask permission to proceed with second reading now.

Some Hon. Senators: Agreed.

Hon. A. J. Brooks, with leave, moved the second reading of Bill C-80, to amend the Veterans' Land Act.

He said: Honourable senators, my statement in regard to Bill C-80 will be brief. The bill was very fully discussed on two occasions in the other place, and was studied thoroughly and approved by the Standing Committee on Veterans Affairs. Veterans organizations have examined it and witnesses from the Department of Veterans Affairs have given evidence. All have expressed themselves as being strongly in favour of the bill as it now stands. No amendments have been suggested.

I may say, honourable senators, that this does not surprise me, as the legislation is simply an extension, or a bringing up to date, of the provisions contained in a bill passed in 1959 amending the Veterans' Land Act. It is also in conformity with the established principle of amending and bringing up to date all veterans legislation as contained in the Veterans Charter.

May I review briefly the amendments to the Veterans' Land Act of 1959 and point out the changes made by this present bill.

Before doing so, I should like to divert for a moment to pay what I consider a well deserved tribute to the man who was chiefly responsible for the great success of our veterans under the Veterans' Land Act.

It is not necessary for me to say that I refer to Brigadier Thomas J. Rutherford, who recently retired from his position as Chairman of the Farm Credit Corporation. During the time I was Minister of Veterans Affairs I had much to do with Brigadier Rutherford, and I can say that I have never met a civil servant who was more devoted to his work or who brought more knowledge and practical ideas to the administration of the particular branch for which he was responsible. It is no exaggeration to say that the success of many thousands of veterans under the Veterans' Land Act all across Canada was due to his help, wise advice and encouragement.

I also point out, honourable senators, that it was he who was responsible for the training of an efficient staff of inspectors under the Veterans' Land Act, a staff which was later taken to assist in the work of the Farm Credit Corporation, and which has been doing the same excellent work there that it did under the Veterans' Land Act.

I shall say no more. The record of this man in two world wars is well known, and I did want to pay this tribute to him for the splendid work he has done in helping veterans.

Honourable senators will recall that the 1959 amendments to the Veterans' Land Act greatly extended the principle of supervised farm credit and made available to farmers who needed it a substantial amount of additional capital, thus enabling them to extend their farm businesses and increase their net returns.

The feasibility of, and the need for, this type of farm credit had been effectively tested and demonstrated by the Veterans' Land Act administration, and the Government was so impressed with the value to our agricultural economy of this form of financing that it was made available to all farmers through the Farm Credit Act, as well as to veterans under the Veterans' Land Act. The latter act provided assistance to qualified farmers up to $20,000 or 75 per cent of the security held by the director, whichever was the lesser. The security included basic herd livestock and farm equipment, as well as real property and at least 60 per cent of the security was in land and buildings.

Under Bill C-80 the interest rates have not been changed; they are 3½ per cent on Part I contracts and 5 per cent on Part III loans. However, the repayment period for the latter becomes thirty years instead of twenty-five as before.

Small holders and commercial fishing veterans could borrow under the 1959 amendments, at the time they were settled, $6,000 under Part I and $3,000 under Part III of the Veterans' Land Act.

Previous to 1959 the limit under Part III was $1,400, and the veteran was required to put up $1 of his own for every $2 borrowed. Under the 1959 amendments he put up $1 for every $3 borrowed. Under the present bill it is $1 for every $4 borrowed, and the amount under Part III is increased from $3,000 to $4,800. Furthermore, the loans may now be made not only at the time of settlement, as had been the case previously, but also to veterans already settled.

The combined effect of these proposals increases from $10,000 to $12,000 the maximum amount available to small holders and commercial fishermen at the initial cost of only $200 more than they were formerly required to pay.

The amount of assistance available for home construction under Part II of the act is also increased from a maximum of $10,000 in 1959 to $12,000 under the present bill. In conjunction with this increase the minimum security which a veteran must furnish to the Director of the Veterans' Land Act before a contract is entered into is $1,000, whereas previously it was $800.

Changes made in 1959 in general were satisfactory to the full-time, well-established farmer on the so-called economic farm unit, but it did not meet the needs of veterans settled on the so-called small family farm, which constituted about one-third of the total number of farmers under the Veterans' Land Act, about 6,000 farms. These people usually had to supplement their incomes from off-farm activities, that is, by doing other work. It was found that being well established in the matter of years, they did not wish to move off their farms, but they remained in the community, and many required additional financial assistance.

To meet the credit requirement of these veterans, Bill C-80 contains a new section under Part III providing for loans, the maximum amount of which would be the lesser of $6,000 in full, or $12,000 less any indebtedness outstanding on any contracts under Parts I or III of the act. The amount loaned cannot exceed 75 per cent of the market value of the farm land. Interest is charged at 5 per cent, with a repayment period of 30 years. It is considered that this provision will greatly assist this type of farmer.

Another new section in the bill provides for insurance protection on the life of the settler under the Veterans' Land Act. It is a proposal which will enable the Director of the Veterans' Land Act to arrange on satisfactory terms a group life insurance plan on a voluntary participating basis. This is a splendid idea.

Honourable senators will recall that in the recent legislation amending the War Service Grants Act the major change was to extend the period of time for the application from September 30, 1962 to October 31, 1968. Similar provision is being made in the Veterans' Land Act, which is now amended, establishing October 31, 1968 as the deadline by which veterans must be qualified to make application to participate in the benefits of Part I of the act.

Another provision in the old act required veterans to be honourably discharged to qualify for the purposes of the Veterans' Land Act. This is now being amended. Veterans of World War II and Korea who re-enlisted in the armed forces without being discharged are now deemed to have been honourably discharged on September 30, 1947 for World War II, and October 31, 1953 for those who served in Korea.

It has been found that in some instances, without endangering the security position of the Director of the Veterans' Land Act, better use can be made of the proceeds from the sale of oil and minerals, or other property which is now confined to permanent improvements. Under the new provisions these proceeds may also be used for the purpose of purchasing livestock, farm equipment and the payment of debts.

These, honourable senators, are the principal amendments to the act. As was stated by the Minister of Veterans Affairs in the other place, an endeavour has been made to accomplish two things: first, to bring the act into conformity with other related acts by extending the date of the application of the measure to 1968, so that veterans who have not been in a position to take advantage of it may have plenty of time to do so; and, secondly, to introduce certain other amendments which would make the act better suited to changing conditions over the past few years.

As I stated at the outset, this bill has been before the Committee on Veterans Affairs, and has been approved by them unanimously.

I will now take up some of the sections of the bill, and will explain some of the new sections in particular. May I say in this connection, honourable senators, that explanation is hardly necessary as far as this and many other veterans bills are concerned. I do not think that any bill which has come before the House of Commons or before this honourable body has contained more complete

explanatory notes than those found in veterans legislation and, I might say, particularly in this bill.

Hon. Mr. Burchill: Did you set the pattern?

Hon. Mr. Brooks: No, I do not claim that credit.

Hon. Mr. Croll: But you followed it very well.

Hon. Mr. Brooks: Yes, I followed it and, I hope, improved on it.

Clause 1 is a new clause. As you will see from the explanatory note, it carries out what I mentioned a few moments ago, namely, the provision that veterans who served in the Second World War and in the Korean War, and who enlisted with the active forces without being discharged, may now be considered honourably discharged, in 1947 for Second World War veterans, and 1953 for Korean veterans.

Clause 2: The purpose of this amendment is to extend the maximum repayment period from 25 to 30 years.

Clause 3 is also new. The purpose of this amendment is well explained here: to increase the number of uses that a veteran may make of money he receives for subsurface rights in land. Previously it had to be applied to the payment of new land purchased, payment for improvements on his farm, or to reduce the amount owing to the director. Under the amendment it may be applied to the purchase of cattle, sheep, swine or other livestock to be used on the farm, the purchase of farm equipment, and the payment of reasonably incurred debts.

Clause 4: The purpose of this amendment is similar to that of clause 2, to extend the time from 25 to 30 years.

Clause 5 is a new provision, and a very important one. Its purpose is to enable the director to arrange on satisfactory terms a group life insurance plan on a voluntary participation basis for the protection of those veterans who have contracts with the director. It might be asked why is that not done under the Veterans Insurance Act. It was very well pointed out in the veterans committee the other day that individual insurance policies taken out under the Veterans Insurance Act would require a premium of approximately $64 a year for a $10,000 policy for fifteen years, whereas under group insurance, the same as they have now under the Farm Credit Act, the annual payment would be only $30. So you can see the great advantage group insurance will have for veterans, as compared with the other provision.

Clause 7 is not new; it is merely an extension.

Clauses 8, 9, 10 and 11 are not new.

Hon. Mr. Pearson: Might I ask the honourable sponsor a question on clause 11? The amount of $10,000 is increased to $12,000, as the maximum financial assistance to a veteran in the building of his own house. Would a veteran who has already received the $10,000 in assistance be entitled to a further $2,000 under this bill or would his having received the $10,000 originally debar him?

Hon. Mr. Brooks: I think that would debar him. Most of the veterans have already paid for their houses. Of course, this increase takes into consideration the fact that the cost is more now than it was when $10,000 was set as the maximum figure.

Hon. Mr. Reid: May I ask if there is also a change in clause 10, because the explanatory note reads:

> ...to increase the maximum financial assistance by two thousand dollars.

Whereas clause 10 says:

> one thousand dollars, whichever is the greater.

Would the honourable sponsor mind explaining why it is "one thousand dollars" in the clause and "two thousand dollars" in the explanatory note?

Hon. Mr. Brooks: There is an increase of $200—from $800 to $1,000. Previously the amount which the veteran could receive was $10,000. Under this amendment he can receive $12,000, but instead of putting up $800 he is now required to put up $1,000.

Clause 13 is new. This clause has to do with the small family farm. Under the old provisions it was found that where loans could only be made on farms which were considered economic units, there were many small farmers—I think 6,000 is the number estimated in the Veterans' Land Act—who had to do other work besides farming in order to make a living. They have lived so long in their communities that they do not wish to move out, and they wish to retain their farms. Provision is now made for loans to this particular group of farmers, which I am sure will prove of great help.

Clause 14 is an amendment to section 65, and I can do no better than read the explanatory note.

> This amendment has three purposes: First it provides that additional loans under Part III may be made to part-time farming and commercial fishing veterans at a time when they are already settled, and not only at the time of their settlement.

Previously, a veteran who was a small holder or fisherman could get the loan only when he first settled on the land. Under

the provision of clause 14 a veteran who is already settled can also receive a loan.

> Secondly, it reduces the percentage amount of the contributory payment that a veteran must make for a loan under this section. Thirdly, it increases from three thousand dollars to four thousand eight hundred dollars the maximum loan that may be advanced under Part III to a small holder or commercial fisherman.

Previously he paid $1 for every $3 he received from the department, up to $3,000. Now he pays $1 for every $4, up to the amount of $4,800.

Clause 15 conforms with clause 2; that is, it is an extension of time.

I should be pleased to answer, if I can, any further questions honourable senators may wish to ask.

Hon. Mr. Lambert: May I ask the honourable senator if the records under this act have revealed many failures on the part of those who have taken up land under this plan? I believe the plan has been an admirable one. Have there been any replacements or withdrawals and, if so, what is their proportion of the total number who took advantage of this plan?

Hon. Mr. Brooks: There have been very few. As a matter of fact, over the full period of years the losses in that regard have been a fraction of 1 per cent of the total. Some 92,000 took advantage of the plan.

Hon. Mr. Reid: That is a good record.

Hon. Mr. Brooks: I would say that over the past 15 or 20 years there has been a total failure in less than 30 cases in which farms have been repossessed. I may be wrong in that figure, but the number is very small.

Hon. David A. Croll: Honourable senators, I believe something should be said with respect to the bill, firstly, because it is an excellent one. The Veterans' Land Act, in its treatment of veterans, has been one of the outstanding successes of the country. Secondly, this bill gives me an opportunity to join with the honourable sponsor in saying a word about a great civil servant, Brigadier Thomas Rutherford.

Some 30 years ago I had under my responsibility in the province of Ontario the Veteran's Re-establishment Commission, which was set up to collect money for veterans' work in that province of Ontario, by the poppy fund and other enterprises. It handled a considerable amount of money and a minister had to be made responsible. As I say, it was my responsibility, and I appointed Tom Rutherford as one of the members of that commission, along with Colonel Baker, whose name is familiar to many in connection with the Canadian National Institute for the Blind, and Colonel Dewar, who later became mayor of Peterborough. That is when I got to know Tom Rutherford. He continued in that position for many years.

I next met him overseas. After the war he entered the civil service of this country and was, in the main, responsible for convincing the Department of Veterans Affairs that it ought to go into the land business.

It is interesting to note that immediately after the war I was a member of the Standing Committee on Veterans Affairs in the other house, along with my honourable friend the sponsor of the bill, who was very active at that time. When land was first made available to veterans some of us were asked to go out and look around, to see what sort of land the veterans were being offered. I do not remember the size of the parcels of land. How many acres was it?

Hon. Mr. Brooks: Two acres.

Hon. Mr. Croll: Two acres. Some of the veterans took up land in the area which was then between the city of Toronto and Scarborough. Honourable senators may recall that some of that land then seemed to be out in the sticks. However, it was not too far from transportation and I thought that the veterans would probably get along very well there. It was not more than two or three years afterwards that that land was being developed, and those veterans did better than many members of the Senate and House of Commons. That really was a success there. It was gratifying to see that someone was rewarded. Many people in the Toronto area did very well under this legislation, and were allowed to sell.

I recall a question being put to Brigadier Rutherford some years ago as to how many failures there had been under this scheme. If my recollection is correct, the failures were almost nil and the repayments were close to 100 per cent. It was a most gratifying experience.

I always equate the sponsor of the present bill (Hon. Mr. Brooks) with another minister of the department, the Honourable Milton Gregg, V.C. Both of them were very competent. They were men who had the interests of the veterans at heart and they did not mind slanting slightly on the side of the veteran. We are glad that this bill is so slanted, as it is right to favour those people who have earned the gratitude of this country. We made available to these veterans the benefits of the act, they stayed on the

land, they built successfully, in the main, and some of them have profited, for which we are glad.

The success of the act has been due to the devotion of civil servants and public servants who operated it.

We are very happy to support this bill.

Hon. Austin C. Taylor: Honourable senators, in my former position in connection with land settlement, particularly under the Veterans' Land Act, and because of my responsibility in my own province, it was my privilege, pleasure and duty to associate myself with and to follow very closely the administration of the Veterans' Land Act and the work done by the officials of the board.

The explanation which has been given by the sponsor of the bill, the honourable senator from Royal (Hon. Mr. Brooks) pretty well clarifies the situation and explains the need for the present amendments. As in the case of many other acts, amendments are required from time to time. Most of such amendments are improvements, and we can safely say that is so in this particular case.

The honourable senator's familiarity with the work of the Land Settlement Board, the Veterans' Land Act Board, his personal interest in veterans and his background as a Minister of Veterans Affairs demonstrates to us his knowledge of the situation and the need for these amendments.

I should like to join with the two previous speakers in paying tribute to Brigadier Rutherford. Over the years, I have known something about his work, particularly during the years since the new Farm Credit Act came into operation. I can see a tremendous improvement under that act. It is true that it is not the same as the old Canadian Farm Loan Act. It has been improved and brought up to date, and meets a great need in Canada. I know something about it, as it came under his administration. Brigadier Rutherford, not only had the ability to become, and to remain a great administrator, but he has had the ability to instil confidence and trust in those people who get loans and acquire farms under that board. It has been rare over the years for anyone to complain in any particular in regard to the administration, or the treatment received from Brigadier Rutherford. Therefore, it is a great pleasure to join with other honourable senators in paying a well deserved tribute to him.

There is one point in clause 7 of the bill which is not very clear to me and which does not appear to have been explained thoroughly. This bill may go to a committee but, even so, I am not too clear in regard to that clause.

The explanatory note says:

> The purpose of this amendment is to increase, from three and one-half to five per cent, the rate of interest chargeable by the director subsequent to the date of rescission of a contract...

I would be obliged for an explanation of that.

Hon. Mr. Brooks: Honourable senators, I can explain that particular point. It was introduced to clear up an anomalous situation. It deals with cases where a farm has been taken over by the department from a veteran and later sold. When the veteran took the farm under Part I he paid 5 per cent interest on his money, as honourable senators are aware. Later on, if he needed money under Part III, he paid 3½ per cent on his loan. Furthermore, if there were any taxes or items of that nature overdue, he was supposed to pay 5 per cent interest on them.

Under section 31 of the act, when the farm is taken over by the director, all indebtedness—that is, all that the veteran owes—will bear interest at 3½ per cent.

The officials of the department were of the opinion—and I am sure everyone will agree—that the loan and other indebtedness on which the veteran was paying 5 per cent previous to rescission of the contract should not have been included subsequently at 3½ per cent and continued until the property was resold, but should continue at the rate of 5 per cent. The point is a rather involved one and difficult of explanation. I hope I have made it clear.

Hon. Mr. Taylor (Westmorland): I am grateful to the honourable senator for his explanation.

Motion agreed to and bill read second time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Brooks moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

> Report of Northern Ontario Pipe Line Crown Corporation, including the accounts and financial statements of said company certified by the Auditor General, for the year ended December 31, 1961, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English and French texts).

Report of the Tariff Board, dated January 17, 1962, relative to the Investigation ordered by the Minister of Finance respecting engineers' and architects' plans, drawings and blue prints, pursuant to section 6 of the Tariff Board Act, chapter 261, R.S.C. 1952. (English and French texts).

CORPORATIONS AND LABOUR UNIONS RETURNS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Beaubien (Provencher): Honourable senators, I move, with leave, that the report be adopted now.

Report adopted.

INTERNATIONAL WHEAT AGREEMENT

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. L. P. Beaubien, for Hon. Gunnar S. Thorvaldson, Chairman of the Standing Committee on External Relations, presented the following report of the committee on the International Wheat Agreement to be opened for signature at Washington, D.C., on April 19, 1962:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said agreement.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Beaubien (Bedford): I move, with leave, that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE ADOPTED

Hon. Mr. Beaubien (Bedford) reported that the Standing Committee on External Relations had considered the International Wheat Agreement to be opened for signature at Washington, D.C., on April 19, 1962, and had recommended that the said agreement be approved by the Senate.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

Hon. Mr. Beaubien (Bedford): I move, with leave, that this report be adopted now.

Report adopted.

ADJOURNMENT

Hon. Walter M. Aseltine: Honourable senators, with leave of the Senate, I move that when the Senate adjourns today it do stand adjourned until Monday, April 16, 1962 at 8 o'clock in the evening.

Motion agreed to.

SHIPPING

INQUIRY AS TO GROUNDINGS AND COLLISIONS—ST. LAWRENCE SEAWAY AND HALIFAX HARBOUR

Hon. Gordon B. Isnor inquired of the Government, pursuant to notice:

1. How many groundings of ships took place in the St. Lawrence Seaway operations during the season of 1960-61?

2. How many groundings of ships took place in the Port of Halifax during the season of 1960-61?

3. How many collisions were in pilotage waters throughout the same period in
(a) The St. Lawrence Seaway; and
(b) Halifax Harbour.

Hon. Walter M. Aseltine: The answer to the honourable gentleman's inquiry is as follows:

1. There were 23 instances in all of vessels making contact with the ground; this included only one major grounding. All others were minor.

2. Nil.

3. (a) 14 contacts, all of a minor nature and occurring in the restricted waters of the Welland Canal and the Seaway below Kingston.

(b) 1 contact of a minor nature with another ship while leaving a dock.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (*a*) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(*b*) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(*c*) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?
2. If so, from whom and when?
3. In view of the Statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;
and the Revised Statutes of Canada:
c. 105 of 1906;
c. 127 of 1927: and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, with respect to this inquiry I beg leave to give a few explanations in order to make the answer easier for the department concerned.

I should mention, in the first place, that the Montreal *Star* of yesterday contained this news item:

Equality for Women
Aim of Quebec Plea

The Canadian Women's League, in a brief it will present to Premier Lesage tomorrow, calls for a complete revision of the province's civil code so that women can receive full legal equality with men.

I will not take up the time of the Senate by reading this news item in full, but I must say to those anonymous women—there is no individual named in this article—that they are knocking on the wrong door, and trying to sit in the wrong pew, for the very reason mentioned in this inquiry about the exclusivity of jurisdiction in matters of marriage and divorce given to the Parliament of Canada by the British North America Act.

In order to give those who are not familiar with the law an idea of what is meant by the references to the Statutes of Canada in No. 3 of this inquiry, I will say that they have made permissible, since 1882, marriage between a widower and a sister of his deceased wife; since 1890, marriage between a widower and his niece, the daughter of the deceased wife's sister; since 1923, between a widower and his niece, the daughter of his deceased wife's brother; since 1932, between a widow and her brother-in-law, the brother of her late husband, or her nephew, the son of a brother or sister of her late husband.

The Hon. the Speaker: That is getting very close to incest.

Hon. Mr. Pouliot: I do not know, but such marriages are contrary to the provisions of the Civil Code of the province of Quebec and of similar legislation that existed in other provinces. I hold in my hand a copy of the Civil Code of Lower Canada which came into force in 1866. Article 125 reads as follows:

> In the collateral line, marriage is prohibited between brother and sister, legitimate or natural, and between those connected in the same degree by alliance, whether they are legitimate or natural.

Article 126 reads:

> Marriage is also prohibited between uncle and niece, aunt and nephew.

The point I want to make is that a complete change was made by the Parliament of Canada at various intervals, which is found in the Revised Statutes of Canada (1952) chapter 176, an Act respecting Marriage and Divorce.

Honourable senators, I do not object to the federal power to legislate on matters of marriage because, by virtue of the British North America Act, they are matters which are

within its exclusive jurisdiction, and what the provinces enact in that regard is *ultra vires*.

It seems to be clear that the women are knocking on the wrong door, and that if they want a change with respect to the rights of married women they have either of two courses to follow. Either they can make petitions to have family rights, especially those of marriage and divorce, transferred by the Parliament of Canada to the provinces by an amendment to the constitution, or they can take the train to Ottawa and ask the Minister of Justice or the federal Government to make the change that they have the power to do. Women have been led in error for a long time. The first thing those who make themselves the champions of women's rights have to do is to learn the ABC of the law, which they will find in the constitution of this country, namely, the British North America Act of 1867.

REPRESENTATION ACT

BILL TO AMEND—THIRD READING

Hon. L. P. Beaubien, for Hon. Gunnar S. Thorvaldson, moved the third reading of Bill C-46, to amend the Representation Act.

Hon. Mr. Isnor: Honourable senators, may I, on the motion for third reading, inquire from the honourable senator from Bedford (Hon. Mr. Beaubien) whether any change has been made in this bill?

Hon. Mr. Beaubien (Bedford): No.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READING

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, moved the second reading of the following bills:

Bill SD-231, for the relief of Karl-Heinz Hans Luedders.

Bill SD-232, for the relief of Leslie Thomas Norval Modler.

Bill SD-233, for the relief of Amy Sandra Glendinning.

Bill SD-234, for the relief of Muriel Howarth Hulbig.

Bill SD-235, for the relief of Kathleen Sangster.

Bill SD-236, for the relief of Phyllis Siev.

Bill SD-237, for the relief of Marjorie Brown.

Bill SD-238, for the relief of Jean Letovsky.

Bill SD-239, for the relief of Shirley Margaret Woolley.

Bill SD-240, for the relief of Ida Schwartz.

Bill SD-241, for the relief of Nathalie Longtin.

Bill SD-242, for the relief of Vida Irene Louise McCallum.

Bill SD-243, for the relief of Margaret Joan Digby.

Bill SD-244, for the relief of Madia-Anne Hruszij.

Bill SD-245, for the relief of Maureen Knowles.

Bill SD-246, for the relief of Joyce Irene Larocque.

Bill SD-247, for the relief of Rolland Commoy.

Bill SD-248, for the relief of Ginette Noela Melanie Soulier.

Bill SD-249, for the relief of Jeannette Carignan.

Bill SD-250, for the relief of Nora Bridget Lahey.

Bill SD-251, for the relief of Virginia Ruth Parmiter.

Bill SD-252, for the relief of Betty Ankhelyi.

Bill SD-253, for the relief of Barbara Ann Sebrian.

Bill SD-254, for the relief of Susanne Reiner.

Bill SD-255, for the relief of Marie Emilia Rolande Gittens.

Bill SD-256, for the relief of Suzanne Chasse.

Bill SD-257, for the relief of Barbara Patricia Rogers.

Bill SD-258, for the relief of Roland Demers.

Bill SD-259, for the relief of Lajos Nagy, otherwise known as Louis Nagy.

Bill SD-260, for the relief of Eloise Sonne.

Bill SD-261, for the relief of Jennie Zajko.

Bill SD-262, for the relief of Robert Fleischer.

Bill SD-263, for the relief of Hugh O'Conner.

Bill SD-264, for the relief of Charles Harold Page.

Motion agreed to and bills read second time, on division.

Hon. Mr. Gershaw, for Hon. Mr. Roebuck, moved that the bills be placed on the Orders of the Day for the third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 277 to 306, which were presented yesterday.

On motion of Hon. Mr. Gershaw, for Hon. Mr. Roebuck, reports adopted.

The Senate adjourned until Monday, April 16, at 8 p.m.

THE SENATE

Monday, April 16, 1962

The Senate met at 8 p.m., Hon. Lionel Choquette, Acting Speaker, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of the number and amount of loans to Indians made under the provisions of section 69(1) of the Indian Act for the year ended March 31, 1962, pursuant to section 69(6) of the said act, chapter 149, R.S.C. 1952. (English text).

Report under the Atlantic Provinces Power Development Act for the fiscal year ended March 31, 1961, pursuant to section 6 of the said act, chapter 25, Statutes of Canada, 1957-58. (English text).

Statutory Orders and Regulations published in the *Canada Gazette*, Part II of Wednesday, April 11, 1962, pursuant to section 6 of the Regulations Act, chapter 235, R.S.C. 1952. (English and French texts).

A report entitled "Department of Transport—Annual Record of Operations, 1960-61". (English text).

Supplementary report of the Canadian Wheat Board on the 1960-61 wheat, oats and barley accounts. (English text).

Agreement between the Government of Canada and the Government of the Republic of Italy concerning the sale in Italy of waste material and scrap belonging to the Command of the Royal Canadian Air Force in Italy. Signed at Rome on December 18, 1961. Entered into force December 18, 1962. (English and French texts).

Technical Assistance Agreement on Military Training between the Government of Canada and the Government of the Republic of Ghana. Signed at Accra January 8, 1962. Entered into force January 8, 1962. (English and French texts).

Procès-Verbal extending the Declaration on the Provisional Accession of the Swiss Confederation to the General Agreement on Tariffs and Trade. Done at Geneva December 8, 1961. Signed by Canada January 17, 1962. (English and French texts).

Vienna Convention on Diplomatic Relations. Done at Vienna April 18, 1961. Signed by Canada February 5, 1962. (English and French texts).

Procès-Verbal extending the Declaration on the Provisional Accession of Tunisia to the General Agreement on Tariffs and Trade. Done at Geneva December 9, 1961. Signed by Canada February 8, 1962. (English and French texts).

DIVORCE

BILLS—FIRST READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-265, for the relief of Vera Irene MacKenzie.

Bill SD-266, for the relief of Guy Lefebvre.

Bill SD-267, for the relief of Beverley Ann Maughan.

Bill SD-268, for the relief of Marie Theresa Sckyra.

Bill SD-269, for the relief of Rosi Irma Parrouty.

Bill SD-270, for the relief of Barbara Gladys Gregory.

Bill SD-271, for the relief of Mary Yvonne Giguere.

Bill SD-272, for the relief of Ion Ignatescu.

Bill SD-273, for the relief of Carmen Abrams.

Bill SD-274, for the relief of Margaret Elaine Gallagher.

Bill SD-275, for the relief of Haia (Clara) Fuchsman.

Bill SD-276, for the relief of Lois Budd.

Bill SD-277, for the relief of Elizabeth Laptew.

Bill SD-278, for the relief of Mary Gallagher.

Bill SD-279, for the relief of Margit Bene.

Bill SD-280, for the relief of Therese Genest.

Bill SD-281, for the relief of Aranka Ilona Berendy.

Bill SD-282, for the relief of Margaret Anne Harvey.

Bill SD-283, for the relief of Joseph Maurice Sealy.

Bill SD-284, for the relief of Valerie Jean Morton.

Bill SD-285, for the relief of Ruth Ilona Elkin.

Bill SD-286, for the relief of Lorraine Burt.

Bill SD-287, for the relief of Denise Bachelder.

Bill SD-288, for the relief of Nicole Marie Geoffroy.

Bill SD-289, for the relief of Martin Simeon Levy.

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Bill SD-290, for the relief of James Robert Breslin.

Bill SD-291, for the relief of Marcelle Rosenberg.

Bill SD-292, for the relief of Judith MacBeth Cuggy.

Bill SD-293, for the relief of Irene Tyminski.

Bills read first time.

SECOND READING

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck: Honourable senators, I think the circumstances are such, and I need not describe them, that I shall ask the consent of the house to move second and third readings of these bills this evening.

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Roebuck: Therefore, with leave of the Senate, I move the second reading of these bills now.

Motion agreed to and bills read second time, on division.

THIRD READING

The Hon. the Acting Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: With leave of the Senate, I move the third reading of these bills now.

Motion agreed to and bills read third time and passed, on division.

CHATEAU LAURIER

NOTICE OF INQUIRY AS TO RUMOURED CHANGE IN MANAGEMENT

Hon. Percival G. Burchill: Honourable senators, I would like to inquire of the honourable Leader of the Government (Hon. Mr. Aseltine) whether there is any truth to the report which has been circulated that it is planned to turn over the management of the Chateau Laurier to American interests. Those of us who for many years have made the Chateau our home when in Ottawa are somewhat disturbed by this rumour. The Chateau Laurier is a Canadian institution; I think it is to Ottawa what the Chateau Frontenac is to Quebec. It has character and atmosphere, and we would be very sorry to see anything happen that might destroy its Canadian identity.

Hon. Mr. Aseltine: I will take the question as a notice, and will make inquiries.

STATUS OF WOMEN

QUESTIONNAIRE RE INHERITANCE LAWS —INQUIRY

Hon. Muriel McQ. Fergusson inquired of the Government pursuant to notice:

1. Has Canada received from the Secretary General of the United Nations a "Questionnaire on Inheritance Laws as they affect the Status of Women" which the Status of Women Commission, following its 14th session in March, 1960, requested the Secretary General to have circulated and a reply prepared for the 16th Session of the Status of Women Commission, which questionnaire was circulated by the Secretary General to the governments of States members of the United Nations, members of the specialized agencies and parties to the Statutes of the International Court of Justice under date of June 17, 1960?

2. If so, when was the questionnaire received by Canada?

3. Has Canada replied to the questionnaire and, if so, when?

4. In view of the fact that other federal countries such as Australia, Austria, Brazil, India, the Union of Soviet Socialist Republics, besides the United Kingdom of Great Britain and Ireland (which forwarded replies for England and Wales, Scotland, Northern Ireland, Guernsey, Jersey, and Isle of Man as well as on behalf of Aden, Bermuda, British Guiana, British Honduras, British North Borneo, British Solomon Islands Protectorate, Brunei, Dominica, Falkland Islands, Gibraltar, Gilbert and Ellice Islands, Grenada, Hong Kong, Jamaica, Malta, Mauritius, Sarawak, Seychelles, Sierre Leone, Singapore, St. Vincent, Swaziland, Tanganyika, Tonga, Trinidad and Tobago, and Zanzibar) all were able to forward to the Secretary General answers to the Questionnaire in time for their replies to be included in the report dated January 4, 1962, prepared by the Secretary General for study at the 16th Session of the Status of Women Commission which convened in New York on March 19, 1962, why was Canada's reply to the Questionnaire, if any was made, not included in the report of the Secretary General?

Hon. Mr. Aseltine: The answer to the honourable senator's inquiry is as follows:

1. Yes.

2. August 16, 1960.

3. Yes, January 10, 1962.

4. As a general rule, Canada does not reply to questions of this kind until after all the provinces have been consulted and their replies collated.

VETERANS' LAND ACT

BILL TO AMEND—THIRD READING

Hon. A. J. Brooks moved the third reading of Bill C-80, to amend the Veterans' Land Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-231, for the relief of Karl-Heinz Hans Luedders.

Bill SD-232, for the relief of Leslie Thomas Norval Modler.

Bill SD-233, for the relief of Amy Sandra Glendinning.

Bill SD-234, for the relief of Muriel Howarth Hulbig.

Bill SD-235, for the relief of Kathleen Sangster.

Bill SD-236, for the relief of Phyllis Siev.

Bill SD-237, for the relief of Marjorie Brown.

Bill SD-238, for the relief of Jean Letovsky.

Bill SD-239, for the relief of Shirley Margaret Woolley.

Bill SD-240, for the relief of Ida Schwartz.

Bill SD-241, for the relief of Nathalie Longtin.

Bill SD-242, for the relief of Vida Irene Louise McCallum.

Bill SD-243, for the relief of Margaret Joan Digby.

Bill SD-244, for the relief of Madia-Anne Hruszij.

Bill SD-245, for the relief of Maureen Knowles.

Bill SD-246, for the relief of Joyce Irene Larocque.

Bill SD-247, for the relief of Rolland Commoy.

Bill SD-248, for the relief of Ginette Noela Melanie Soulier.

Bill SD-249, for the relief of Jeannette Carignan.

Bill SD-250, for the relief of Nora Bridget Lahey.

Bill SD-251, for the relief of Virginia Ruth Parmiter.

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Bill SD-253, for the relief of Barbara Ann Sebrian.

Bill SD-254, for the relief of Susanne Reiner.

Bill SD-255, for the relief of Marie Emilia Rolande Gittens.

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Bill SD-257, for the relief of Barbara Patricia Rogers.

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Bill SD-259, for the relief of Lajos Nagy, otherwise known as Louis Nagy.

Bill SD-260, for the relief of Eloise Sonne.

Bill SD-261, for the relief of Jennie Zajko.

Bill SD-262, for the relief of Robert Fleischer.

Bill SD-263, for the relief of Hugh O'Conner.

Bill SD-264, for the relief of Charles Harold Page.

Motion agreed to and bills read third time and passed, on division.

Hon. Mr. Roebuck: Honourable senators, I may point out that these bills make a total of 293 divorce bills that the Senate has passed so far this session.

BUSINESS OF THE SENATE

Hon. Walter M. Aseltine: Honourable senators, at this time I wish to make a brief statement with regard to the business of the Senate.

When we adjourned for the week end on Thursday last everyone fully expected that we would have before us for consideration today the final supplementary estimates for the fiscal year 1961-62. Although considerable progress has been made in the other place with respect to these final estimates, the bill itself has not received first reading yet. From inquiries I have made it appears that it will not reach us this evening in time to give it due consideration.

This afternoon I thought that I would be asking the house to adjourn during pleasure at this point, in case the bill reached us later this evening. I have now decided that there is no real hope of that occurring. However, it is possible that we shall have the supplementary estimates for consideration when we meet at 3 o'clock tomorrow afternoon. Therefore, I would ask honourable senators to bring with them their copies of the supplementaries, as usually only a limited number of copies of the bill are printed—I expect to have only about twenty for distribution.

As honourable senators have had these estimates before them for at least a month, I hope that we shall be able to deal with them expeditiously tomorrow afternoon.

Hon. T. A. Crerar: May I ask the honourable Leader of the Government if these are the supplementary estimates known as No. 4?

Hon. Mr. Aseltine: That is correct. They are the final supplementaries for the fiscal year which ended on March 31 and which were not passed before the expiration of the last fiscal year.

Hon. Mr. Crerar: Before my honourable friend moves the adjournment, which I take it he is about to do, may I inquire of him if he has any information that he can give the house as to when we are likely to receive the measure for Senate reform?

Hon. Mr. Aseltine: I am surprised at the honourable senator from Churchill asking me that question. The bill has been introduced and has been given first reading in the other place, but it has yet to receive second reading. I have no information as to when it will receive second reading, or when it will reach the Senate.

Hon. Mr. Crerar: If I may be permitted to say a word on this, I mention the matter because the first reading took place in the other house more than a week ago. Some of my colleagues and I—though I have not been here for reasons beyond my control—would like to know what arrangements we can make about moving homewards. One cannot obtain reservations at this time of the year with a 24-hour notice.

Hon. Mr. Aseltine: I presume one reason second reading of the bill has not been reached in the other place is that the available time has been spent on these supplementary estimates.

I have learned by reading the press of the country that the Prime Minister made a statement in the other place on Friday last to the effect that he would make an announcement early this week.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 17, 1962

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers.

THE LATE SENATOR JOHN A. McDONALD

TRIBUTES

Hon. Walter M. Aseltine: Honourable senators, we were all saddened by the information received early today that, since we met here last evening, one of our distinguished members, in the person of Senator John Alexander McDonald of Kings, Nova Scotia, had passed to the Great Beyond.

Senator McDonald was summoned to the Senate in the year 1945, and for the sixteen years that he was a member of this chamber he was a very faithful attendant and took an important part in all our deliberations. At the time of his death he was a member of five Senate committees, as follows: Joint Committee on the Library, Natural Resources, Miscellaneous Private Bills, Banking and Commerce, and Internal Economy and Contingent Accounts. He could always be depended upon to be present and to take his part in the deliberations of these committees.

Before being summoned to the Senate, the late senator had a distinguished career in his native province of Nova Scotia, where he was for many years a member of the legislature. He was first elected in 1920, and in 1923 became minister without portfolio. In 1933 he became Minister of Agriculture and Marketing, and he remained a member of the legislature until he was summoned to the Senate in 1945.

Senator McDonald sponsored many bills in the Senate, most of which had to do with agricultural matters, in which field he was an expert. During the time that the Leader of the Opposition (Hon. Mr. Macdonald, Brantford) was leader of the Government in this house, I remember that Senator McDonald sponsored many important agricultural measures.

From the moment that Senator McDonald came to the Senate I became intimately acquainted with him and always found him to be a very friendly and courageous man. I enjoyed meeting him and talking to him on frequent occasions. In my opinion, he was a very fine Christian gentleman. He made friends not only in this chamber but wherever he was known. His presence in this chamber will be very much missed by everyone. Personally, I sincerely regret his passing and take this opportunity of extending to his widow, his son and relatives our deepest sympathy.

Hon. W. Ross Macdonald: Honourable senators, in the passing of John Alexander McDonald the Senate has lost one of its most faithful and devoted members. Having been both a businessman and a farmer, and also having had wide experience in the Legislature of Nova Scotia, he came to the Senate well prepared to take an active part in the activities here. Not only was his advice sought in connection with agricultural matters by members of this chamber, but it was also sought by those who sit at the opposite end of this building. They realized that we had in the Senate, in the person of Senator McDonald, a specialist in all matters pertaining to agriculture.

He did not, however, limit his interests to agriculture. He followed the debates on all matters which came before the Senate, but more especially those which were directly related to his beloved maritime province. He never remained in his seat and listened in silence to what took place on any matter affecting Nova Scotia; he always rose and expressed his opinion. I am sure that at all times he had the interest of the Maritime provinces generally deeply in his heart.

The late senator was a man of exceptionally high principles, and he practised what he preached. He did not preach by word of mouth; he preached by his actions from day to day. He was loyal to any cause with which he associated himself and at all times was loyal to his friends. In his passing we have lost a great friend.

From the time Senator McDonald became a member of this house until his last appearance here he and Mrs. McDonald were familiar figures in and about the Parliament buildings, and we have missed them greatly.

Honourable senators, I join with the honourable Leader of the Government in extending deep sympathy to Mrs. McDonald and her son.

Hon. John J. Kinley: Honourable senators, this is the second time within the last few months that we have had occasion to mourn the death of a Maritime senator. Today we mourn the passing of John A. McDonald of Nova Scotia. As a close friend of his, I wish to thank the honourable leaders for their tributes to his memory which are appropriate and I am sure will be of comfort to those who are in deep sorrow.

Senator McDonald was a modest, friendly man, but he was strong in his convictions. He always supported the things that he thought

were for the good of the community generally. He was forthright in his words and in his actions.

He and I were closely associated for many years. We served together in the Legislature of Nova Scotia. We became members of the Government and were sworn in on the same day. He went on to become Minister of Agriculture and Marketing, in which position he was eminently successful. He brought to that position a college degree, a knowledge of the farm, experience in the market place, and a splendid ambition to serve the farmers of the province of Nova Scotia, in which task especially he succeeded to a marked degree.

Everyone who knew Senator McDonald admired him for his fine qualities. He was a good man, and he was always on the side for good. He advocated the ennobling things of life: culture, knowledge, and the discipline that enriches and strengthens a people.

The late senator and I entered the Senate the same day, 17 years ago tomorrow, and here he was a distinguished and faithful representative from our province. He was an outstanding member of the Baptist communion, a leader in the church and devoted to its missions. He was a good Nova Scotian whose achievements and influence will long be counted in that province. His memory will remain green for many years to come.

To his wife and son, I join with the leaders, and with all those who will think of them, in extending our affection and our sympathy in this their day of sorrow.

I hope that as the years go by, and only time will cure the bereavement to a certain extent, they will again be happy in the memory of so grand and so good a man. The son had a splendid father and the wife had a devoted husband for whom everybody in the province of Nova Scotia had great admiration.

Hon. John M. Macdonald: Honourable senators, may I also add a word of tribute to Senator John A. McDonald. I join with those who have spoken in expressing our regret at his passing and in extending sympathy to his widow and son.

Senator John A. McDonald had a long and distinguished career in public life. I suppose that he is best known in Nova Scotia for his work as Minister of Agriculture and Marketing in that province. He became minister at a very difficult time, when the depression was most intense, but with his expert knowledge and under his guidance, his department was able to do much to assist the agricultural industry in Nova Scotia.

Senator McDonald was a dedicated man, whose principal interest was to assist those engaged in farming, especially the small farmer, so that they might enjoy a better standard of life. I have always felt that it was a great tribute to him, when he gave up his department, that a testimonial banquet was held for him in Nova Scotia and that hundreds of small farmers travelled many miles to be present and to pay their tribute to this fine man.

When he came to this chamber, he could speak with great authority on agricultural problems affecting not only the Maritime Provinces but the whole of Canada.

Apart from his public career, we from Nova Scotia like to remember Senator McDonald in his private capacity. He was a man of high principle, an upright and honourable man in all his dealings, in both his private and public life. He earned for himself the trust, the affection and the respect of those who knew him, especially of the people who knew him best, the people of Nova Scotia.

He was always a kind man, patient and courteous. He was that type of man who was quick to see the virtues of others and who found it difficult to see their faults.

This was a distinguished son of Nova Scotia and the people of that province will mourn his passing.

Hon. Austin C. Taylor: Honourable senators, I wish to share in the tributes being paid this afternoon in memory of our colleague, the late Senator John A. McDonald. I do not think there is anyone in this chamber, other than his former associates in the Legislature of Nova Scotia, who knew him better than I did. From the time I became a minister in the Government of New Brunswick, until 1945, when "John A.", as I knew him and called him, was summoned to the Senate, he was always available for advice. I can assure you that throughout my political experience and public life I never met anyone who gave me as good advice or whose judgment I regarded more highly.

Senator McDonald worked hard for the people he represented. I can recall the many fights he and others put up on behalf of the farmers of the Atlantic provinces. I should like to refer to two achievements for which he was probably more responsible than any other person, and which to my mind stand out as a tribute to his endeavours. The first was the development of the Maritime Marshland Rehabilitation program, and the second was the bringing into effect of the feed-freight assistance program which has been supported by the western farmers. Those are two of the outstanding contributions he made to Canadian agriculture.

John A. McDonald was a man of integrity, honesty and determination, possessed with a quality of friendliness seen in few men. To me, a friend is the most wonderful asset any

human being can have, and John A. was a real friend of mine. It can well be said of him that he builded better than he knew. Certainly his endeavours will long be remembered.

Honourable senators, I want to associate myself with those who have spoken in paying tribute to John A. McDonald, and to say that I share to a large extent the loss of this great Canadian. I join with others in extending to Mrs. McDonald and their son my deepest sympathy.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I should like to pay a humble tribute to the deceased. The Senate has just lost a member who was more than a hard-working man. Some people claim that senators do nothing. I would have liked those people to see our late colleague in action; they would have found out that he was always where duty called him.

The greatest tribute I can pay to our friend, the late Senator McDonald, is to say that not only have the Eastern provinces lost a prominent figure, a man who got things done, but the whole agricultural industry in Canada has been deprived of one of its greatest experts. His knowledge was extensive not only in regard to farming, but also with respect to the economic aspects of agriculture.

I had been a senator for a year when Senator McDonald was appointed to the Upper House. I got in touch with him because we shared the same views on many questions. He was so conversant on matters of agriculture and agricultural co-operatives that we understood each other perfectly even though his English was perfect and mine very poor. We understood each other because there is only one language in the field of co-operatives, that of the heart, which any man can understand.

Senator McDonald was the farmers' friend. He renovated agriculture in Nova Scotia and throughout the Maritimes. Not only do I owe him a tribute, but the expression of my deepest gratitude, for more than once he guided me through paths which personally I found well-nigh impassable.

Another thing which all those who spoke before me mentioned was that Senator McDonald practised what he preached. His whole life through, he set the example of a sincere believer. We often discussed certain moral aspects of the life of some people, but he kept repeating that when one follows the straight and narrow path, one always achieves one's goal, whatever difficulties have to be overcome. In addition, on certain days Senator McDonald was good enough to give me English lessons, thus enabling me to improve somewhat, for it is far from perfect, my knowledge of the English language. This I did while working with him on a subject in which we were both interested, that is agriculture.

Another thing which impressed me was the affection that this perfect couple had for one another. They were always seen here together like two young lovers and it could have been said that as in the early days of their marriage they were having a perpetual honeymoon. And when you met them together, you could feel, not only that affection, but that love that husband and wife should have for each other.

I have no doubt that the Master who knows how to recompense those who have done good on earth has already given our friend, Senator McDonald, the reward he so richly deserved: everlasting happiness in His paradise.

(Text):

Hon. F. Elsie Inman: Honourable senators, as a fellow Maritimer I should like to pay tribute to a very distinguished colleague and outstanding citizen of the Maritime provinces. Senator John A. McDonald was a gentleman in the finest sense of the word. Understanding and considerate, he was ready to give advice whenever it was sought. In his passing we have lost a valuable member of this chamber.

Of his services to his country, others have spoken. I thought of Senator McDonald, as did so many others in the Senate, as a loyal and dearly beloved friend. We praise him and thank God for men of his calibre. His friendship enriched life for us and strengthened our faith in him as in God. To his widow and to his son, I join with those who have already spoken in heartfelt sympathy.

The Hon. the Speaker: Honourable senators, I now ask you to stand in your places to observe a few moments of silence.

Honourable senators stood in silence.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report of the Department of External Affairs for the year ended December 31, 1961, pursuant to section 6 of the Department of External Affairs Act, chapter 68, R.S.C. 1952. (English and French texts).

Report of the St. Lawrence Seaway Authority, including its accounts and financial statements certified by the Auditor General, for the year ended December

31, 1961, pursuant to sections 85(3) and 87(3) of the Financial Administration Act, chapter 116, R.S.C. 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 307 to 340, and moved, with leave, that they be taken into consideration now.

Motion agreed to.

On motion of Hon. Mr. Roebuck, with leave, reports adopted.

BILLS—FIRST READING

Hon. Mr. Roebuck presented the following bills:

Bill SD-294, for the relief of Percy Beauvais.

Bill SD-295, for the relief of Harold Moreau.

Bill SD-296, for the relief of Mabel Lucille Mills.

Bill SD-297, for the relief of Zbigniew Stanislaw Janicki.

Bill SD-298, for the relief of Anna May Sergent.

Bill SD-299, for the relief of Joseph Philippe Philias Fabien Parent.

Bill SD-300, for the relief of William Rankin Edmondson.

Bill SD-301, for the relief of Josephine Rose Nawrocki.

Bill SD-302, for the relief of Zelda Barbara Kimberg.

Bill SD-303, for the relief of Doris Irene Trerice.

Bill SD-304, for the relief of Alexandra Deliyannakis.

Bill SD-305, for the relief of Patricia Beverley Dimeo.

Bill SD-306, for the relief of Agnes Agai.

Bill SD-307, for the relief of Aida Diotte.

Bill SD-308, for the relief of Beverly Anne Runions.

Bill SD-309, for the relief of Karl Heinz Wunderlich.

Bill SD-310, for the relief of Marie Greensell.

Bill SD-311, for the relief of Bertha Staruch.

Bill SD-312, for the relief of Ruby Rita Smith.

Bill SD-313, for the relief of Patricia Ann Small.

Bill SD-314, for the relief of Pardo Belpulso.

Bill SD-315, for the relief of Helena Jadwiga Igiel Wodnicki.

Bill SD-316, for the relief of Adele Kathleen Strachan.

Bill SD-317, for the relief of Elizabeth Angela Stirling.

Bill SD-318, for the relief of Gabrielle Ungar.

Bill SD-319, for the relief of William Henry Monaghan.

Bill SD-320, for the relief of Nicholas Cimbru Chambers.

Bill SD-321, for the relief of Georgine Plzak.

Bill SD-322, for the relief of Joseph Leo Gerard Bougie.

Bill SD-323, for the relief of Albert Henry Grabeldinger Willis.

Bill SD-324, for the relief of Jeannie Belchik.

Bill SD-325, for the relief of Sylvia Dankner.

Bill SD-326, for the relief of John Donaldson.

Bill SD-327, for the relief of Alexander Burke.

Bills read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall these bills be read the second time?

Hon. Mr. Roebuck: With leave of the Senate, I move that these bills be read the second time now.

Motion agreed to and bills read second time, on division.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall these bills be read the third time?

Hon. Mr. Roebuck: With leave of the Senate, I move that these bills be read the third time now.

Motion agreed to and bills read third time and passed, on division.

CORPORATIONS AND LABOUR UNIONS RETURNS BILL

REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada, and had directed that the bill be reported without amendment.

Report adopted.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Motion agreed to and bill read third time and passed.

STATUS OF WOMEN

NOTICE OF INQUIRY RE QUESTIONNAIRE ON INHERITANCE LAWS—REPLIES BY PROVINCES

Hon. Muriel McQ. Fergusson: Honourable senators, I give notice of the following inquiry, for Thursday, April 19:

1. On what date was a "Questionnaire on Inheritance laws as they affect the Status of Women", which was received by Canada from the Secretary-General of the United Nations on August 16, 1960, forwarded to each province of Canada?

2. If the questionnaire was not forwarded to the provinces how and when were they consulted concerning it?

3. Which provinces of Canada either replied to the questionnaire or otherwise indicated their replies to the subject matter of the questionnaire?

4. On what date were such replies received?

In case Parliament should dissolve before the answer to this inquiry is received, I ask that the answer be forwarded to me, as I am very anxious to receive it.

Hon. Mr. Aseltine: I shall be glad to forward the answer to the honourable senator as soon as I receive it.

KING'S COUNSEL AND QUEEN'S COUNSEL

FEDERAL APPOINTMENTS

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. Who are the lawyers and judges who have been appointed King's Counsel or Queen's Counsel by the Government of Canada since Confederation?

2. When was each one appointed?

Hon. Walter M. Aseltine: Honourable senators, I would like to make a few remarks with regard to Inquiry No. 2 by the honourable Senator Pouliot. I have the following information which I think will be of interest to him.

I am advised that more than 675 appointments of Queen's and King's Counsel have been made under the Great Seal of Canada since Confederation. The vast majority were made during the reign of Queen Victoria. The newspaper statement referred to by the honourable senator was obviously incorrect.

I wonder if the honourable senator wishes to have his inquiry proceeded with, in view of the very considerable amount of work involved in compiling the information.

Hon. Mr. Pouliot: Honourable senators, I am satisfied with the answer that has been given to my Inquiry No. 2, but I could not be satisfied about No. 1, as no answer has been given to that inquiry.

Later:

The Hon. the Speaker: Honourable senators, the counter-question put to the honourable senator from De la Durantaye (Hon. Mr. Pouliot) by the Leader of the Government (Hon. Mr. Aseltine) was whether he insisted on a complete answer to Inquiry No. 2, in view of the great number of King's and Queen's Counsel appointed since Confederation.

Hon. Mr. Pouliot: I do not insist on the complete answer to Inquiry No. 2. I am ready to drop it. I am satisfied with the answer that was given to me by the honourable leader. I was struck by the statement in the newspaper that there were only 40 King's and Queen's Counsel appointed by the Government of Canada since Confederation. That information was wrong, as the honourable leader has said, and I am satisfied. I will not insist further.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the

Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from any one to the effect that the B.N.A. Act, 1867, should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927; and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, the answer to this Inquiry No. 1 will be very easy and will take just a word or two, but it must come from the Government. I am much interested in that.

This is a question of law. It refers to the respect that we must have for the Constitution. Many of us these days are speaking of the centenary of Confederation and suggesting all sorts of schemes to commemorate the occasion. We must know if the provinces have been abiding by the law of the land, the British North America Act, which is the Constitution of this country. It is clear, it is simple, but some people are like ostriches. They put their heads in the sand in order to protect themselves against the wind that blows. There is no wind at all.

There is an imperial statute, the British North America Act, which defines the exclusive powers of the Parliament of Canada and the exclusive powers of the provincial legislatures. That is one thing.

In the second place there is a 300-page judgment of the Supreme Court of Canada, given in 1912, a unanimous judgment of that court, as well as a judgment of the Privy Council, which is referred to in the Appeal Cases of 1912. The judgment was rendered by Lord Haldane, who was a great jurist, and this is the jurisprudence that confirms the orthodox understanding of the Constitution.

I do not want to repeat what I said the other day. If you want precedents, I have quoted precedents and the legislation on marriage passed by the Parliament of Canada, which had the power to do it and had done it. It has done it reluctantly, perhaps, and seldom, but it has done it, and what has been done with regard to marriage by the Parliament of Canada is just as legal as are the divorces granted by this Parliament. I will not say the same thing about the divorces granted by the provincial courts, and you should not be surprised if the provinces of Quebec and Newfoundland have been wiser not to have divorce courts within their boundaries.

It is a matter of jurisdiction, of exclusive jurisdiction. I want to know if the legislation on marriage that has been passed by the provinces of Canada is valid, because it is against the provisions of the Constitution of this country.

Hon. Walter M. Aseltine: I might say, honourable senators, that I have communicated all that has been said by the honourable senator from De la Durantaye (Hon. Mr. Pouliot) to the Department of Justice. The Minister of Justice is absent, and the rule is that answers to inquiries from any department of the Government must be initialed by the minister of the department. For that reason I have not been able to table the answer to the honourable senator's inquiry. However, if I am unable to obtain it before this Parliament comes to an end, I will see that it is sent to him. I am hoping, however, that probably tomorrow or the next day I shall have the answer.

Hon. Mr. Pouliot: With regard to the said answer, I want to play the game and conform to the ethics of the legal profession and not use the answer that has been given to me personally by none other than the Minister of Justice himself. I am not to tell you that. I want the answer to be on the record in the regular manner, so that it is official.

BUSINESS OF THE SENATE

Hon. Mr. Pouliot: Honourable senators, if I may be permitted, may I ask if there is any news about the date of dissolution? Has it been announced in the other place today?

Hon. Mr. Aseltine: Honourable senators, I understand it was announced that the election will be held on June 18.

Honourable senators, I move that the Senate adjourn during pleasure, to reassemble at the call of the bell at approximately 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8.35 the sitting was resumed.

CUSTOMS ACT

BILL TO AMEND—FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-79, to amend the Customs Act.

Bill read first time.

SECOND READING

Hon. Lionel Choquette, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, this is a bill to amend the Customs Act, and its purpose is to extend the time limitations imposed by sections 43, 56, 57, 58, 62 and 113 of that act.

Since the enactment of section 43 in 1955, the department has received repeated representations from importers that the time periods—sixty days for making a request to a Dominion Customs Appraiser for a redetermination or a reappraisal of goods, and thirty days for a request to the deputy minister for a review of a Dominion Customs Appraiser's decision—are so short that those companies which operate nationally, but have centralized records and accounting systems, have difficulty gathering within the allotted time the information and documentation required to support their request.

In light of those representations, it is considered that the present time limits of sixty and thirty days respectively should be extended to ninety days.

With regard to reporting instances of damage, destruction or misdescription of goods, importers have complained that the present time limit of fourteen days is too short, since frequently it is impossible for them to examine their goods carefully within that period of time.

Many companies shut down completely for annual vacation periods of up to two weeks. Moreover, companies that clear goods at various ports across the country, but whose purchasing and accounting records are kept at head offices, on occasion do not learn of discrepancies until it is too late to report them. It is felt that thirty days is a more realistic time limit, in view of present day business practices.

The only proposed changes in the present act are in the five sections mentioned in this bill. Where there is sixty days, it will read ninety days; where there is thirty days, it will read ninety days; and where there is fourteen days, it will henceforth read thirty days. It is merely a procedural matter.

To summarize, this new legislation is introduced because of the requests of several companies over a period of years. The time limits for appeals and for launching protests, being too short, should be extended from thirty to ninety, from sixty to ninety, and from fourteen to thirty days, as set out in the bill.

Hon. Salter A. Hayden: Honourable senators, the sponsor of this bill (Hon. Mr. Choquette) has given a very satisfactory and a very clear explanation of it. It is the kind of legislation I like, because it represents an amelioration in tax matters. In dealing with the Dominion Customs Appraiser, the time for getting to him in connection with any reappraisal is being extended. That is a good feature. The rights of persons should not be circumscribed by prescribing too short a period of time within which those persons may act.

The same principle applies in connection with applications for abatement in the amount of duty which has been paid or to which the goods may be subject on the basis of an *ad valorem* value because of the fact that the goods may have been damaged in transit.

The extension of time for such purposes marks a great improvement. In modern business many points of difficulty may arise. For instance, the goods may not be removed from the original packages until they get to their ultimate destination, which would be the customer. It is a wise move and in the interest of business people to extend from fourteen to thirty days the time limit for making a claim in those cases where goods are damaged in the course of transit by railway or other land or water conveyance.

Section 3 of the bill also extends from fourteen to thirty days the time in which an importer may decide whether to accept goods in their damaged condition, paying duty on a lower evaluation, or abandon them to the customs authority. This change is in the interest of the importer.

Then there is a section which deals with the matter of refund of duty on goods damaged while they may be said to be in the possession of the customs authority, whether moving in bond or being held in bond. The time limit for filing a claim has been extended from fourteen to thirty days. If a businessman had only one transaction to deal

with, fourteen days might not be too short a time, but it passes quickly. So, these are all steps in the right direction.

Honourable senators, after giving my blessing to this bill I cannot help but take one little parting thrust at my honourable friend from Ottawa East (Hon. Mr. Choquette). I congratulate him that his sights in regard to time limits for appeal have suddenly been adjusted to what I would call normal, and in the interests of the taxpayer. It was not so long ago in this place that we were attempting to provide even a teeny-weeny opportunity for appeal, and my friend was vigorous in his argument that there was no need for it.

Hon. Arthur W. Roebuck: Honourable senators, I should like to raise a question with regard to section 3 of the bill, which reads as follows:

> The collector may permit an importer, within thirty days after entry or landing—

I do not question the thirty-day period; probably it is not too long.

> —to abandon to the Crown any whole package or packages of damaged goods and be relieved from the payment of the duties on the portion so abandoned; and the goods so abandoned shall be destroyed if, in the opinion of the collector, they cannot be sold for a sum sufficient to pay duties and charges.

Tell me why you should destroy goods that might have some degree of value? Perhaps they could not be sold for a sum sufficient to pay duties and charges, but something might be recovered from their sale, or they could be used in some way. I do not see that this is a good criterion for the destruction of the goods. I would say that the goods should be destroyed only if they are of no value at all. To say that the goods shall be destroyed if they are not up to a value sufficient to pay the duties and charges does not seem reasonable.

Hon. Mr. Choquette: This is not a new section.

Hon. Mr. Roebuck: That does not help it at all.

Hon. Mr. Choquette: We are only asking for an extension of time. The old section provided for a period of fourteen days within which the merchandise should be destroyed. Now it is sought to extend the time to thirty days.

Hon. Mr. Roebuck: That might relieve the situation slightly, but remember we are re-enacting this section, and it does not do much good to say it is silly and has been silly for a long time. Our duty is to apply our intelligence to the act we re-enact. I do not think this is very intelligent; I think it is rather foolish. Why should we pass a bill just changing the number of days? Why not apply a little thought or make some explanation that would justify our accepting this in re-enacting the section?

Hon. Mr. Hayden: May I be permitted to make a comment? I suggest that consideration be given by the Leader of the Government (Hon. Mr. Aseltine) to submitting this suggestion to the customs department, that there might be an additional subclause inserted in this section which would provide for condemning the goods as a necessary prerequisite step, in order that they might then be given away for some charitable purpose; but first of all condemn them, and then give them away as an alternative to selling them for the amount of duty and cost.

Hon. Mr. Roebuck: Sell for anything you can get, as long as you can get something. Why should the department not have a discretion in this matter? The section does not say the goods "may be destroyed"; it says they "shall be destroyed", if they cannot be sold for a certain sum sufficient to pay duties and charges, and that sum may be very considerable.

Hon. Mr. Hayden: Except that I would not think the importer of the goods, if he thought they were of any value or of any considerable value, would give them up rather than pay the duty.

Hon. Mr. Roebuck: But he is relieved of the payment of the duties when he gives up the goods, and the country takes them over from him and then condemns them to be destroyed, although they may have a real value—perhaps not as much as the duties and charges, but still a real value. It may be that my friend is not able to explain this now, and there may be some reason for it. There has been one suggestion, that the department should consider a further amendment next session, when we have a new government that is more intelligent than the present one.

Hon. Mr. Aseltine: That was uncalled for.

Hon. Mr. Horner: What an idea!

Hon. Mr. Hollett: If the price of the goods was just the amount of the duty, perhaps they could be put on the market and sold at a lower price in competition to pay for the duty. However, I do not think that would aid or abet anything.

Hon. Mr. Roebuck: That is an old protectionist thought.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Choquette: Honourable senators, since this is only a procedural matter, I move, with leave, that the bill be read a third time now.

Motion agreed to and bill read third time.

The Hon. the Speaker: Honourable senators, this bill has been read a third time and is now ready to pass. Is it your pleasure to pass this bill?

Hon. Mr. Macdonald (Brantford): Honourable senators, before the bill passes may I say that I hope the Leader of the Government (Hon. Mr. Aseltine) or the sponsor of the bill (Hon. Mr. Choquette) will bring to the attention of the customs officials the very pertinent points raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), and I hope that at another session there will be an explanation of the words to which he referred, or an appropriate amendment introduced.

Hon. Mr. Aseltine: I will be glad to do that.

Hon. Mr. Roebuck: Thank you.

Bill passed.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, I thought we might have the interim supply bill before us tonight. I made inquiry just before the sitting was resumed, and it does not seem that there is any hope of it reaching us tonight.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 18, 1962

The Senate met at 3 p.m., Hon. Lionel Choquette, Acting Speaker, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. Walter M. Aseltine tabled:

Report on the Administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1961, pursuant to section 12 of the Disabled Persons Act, chapter 55 of the Statutes of Canada, 1953-54 and amending statutes. (English and French texts).

Report on the Administration of Allowances for Blind Persons in Canada, for the fiscal year ended March 31, 1961, pursuant to section 12 of the Blind Persons Act, chapter 17, R.S.C. 1952 and amending statutes. (English and French texts).

Report on the Administration of Old Age Assistance in Canada, for the fiscal year ended March 31, 1961, pursuant to section 12 of the Old Age Assistance Act, chapter 199, R.S.C. 1952, and amending statutes. (English and French texts).

Capital and operating budgets of the Canadian National Railway Company for the year ending December 31, 1962, pursuant to section 37 of the Canadian National Railways Act, chapter 29 of the Statutes of Canada, 1955, together with copy of Order in Council P.C. 1962-553, dated April 14, 1962, approving same. (English text).

Report, dated March 23, 1962, of the Restrictive Trade Practices Commission, under the Combines Investigation Act, concerning the distribution and sale of automotive oils, greases, anti-freeze, additives, tires, batteries, accessories and related products. (English text).

CHATEAU LAURIER

RUMOURED CHANGE IN MANAGEMENT

Hon. Walter M. Aseltine: Honourable senators will recall that on April 16 last, the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) made the following inquiry:

> I would like to inquire of the honourable Leader of the Government (Hon. Mr. Aseltine) whether there is any truth to the report which has been circulated that it is planned to turn over the management of the Chateau Laurier to American interests.

The answer to the honourable gentleman's inquiry is as follows:

> The management of the C.N.R. have advised that there is no foundation to this report. Such a report may have arisen because of a reference in the Annual Report of the railway for 1961 under the heading of "Hotels", and which reads as follows:
>
> "An arrangement was made during the year whereby Hilton of Canada Limited was retained in a consulting capacity to advise and assist the management of Canadian National Hotels on various phases of hotel operation, sales solicitation and administration. The arrangement will also involve closer co-ordination of sales activities between the two hotel systems and extension of the solicitation efforts of the world-wide Hilton Hotels organization to promote the attraction of convention, group and individual travel to all Canadian National hotels."

Hon. Mr. Burchill: I thank the honourable leader for the answer.

MARRIAGE AND DIVORCE

INQUIRY AS TO ANY REQUESTS OR REPRESENTATIONS FOR AMENDMENT OF BRITISH NORTH AMERICA ACT WITH REFERENCE TO LEGISLATIVE JURISDICTION RE MARRIAGE AND DIVORCE

On the notice by Hon. Mr. Pouliot:

That he will inquire of the Government:

Referring (a) to the first seven words of section 129 of the B.N.A. Act, 1867, about the continuance of pre-Confederation existing Laws, Courts, Officers, etc., namely, "Except as otherwise provided by this Act",

—(b) to "the exclusive legislative authority of the Parliament of Canada" extending to *marriage and divorce* in virtue of subsection (26) of section 91 of the said act, with the exception of the exclusive powers of Provincial Legislatures to make laws "for the solemnization of marriage", in virtue of subsection (12) of section 92 of the said act, and

—(c) the interpretation of the said law by the Supreme Court of Canada and the Privy Council on appeal from the Supreme Court of Canada in the matter of a reference to the Supreme Court of Canada of certain questions concerning marriage, (1912 A.C., p. 880)—

1. Did the Government receive any formal request from any province or any specific representation from anyone to the effect that the B.N.A. Act, 1867,

should be amended by repealing subsection (26) of section 91 of the said act?

2. If so, from whom and when?

3. In view of the statutes of Canada:

45 V., (1882), c. 42;
53 V., (1890), c. 36;
13-14 Geo. V, (1923) c. 19;
22-23 Geo. V, (1932) c. 10;

and the Revised Statutes of Canada:

c. 105 of 1906;
c. 127 of 1927; and
c. 176 of 1952, the latter being intituled "An Act respecting Marriage and Divorce",

did the Government of Canada receive any specific representation or any formal request from anyone to the effect that the Parliament of Canada, in virtue of the exclusive legislative authority conferred upon itself by subsection (26) of section 91 of the B.N.A. Act, should repeal article 1301 of the Civil Code of the Province of Quebec and the second paragraphs of articles 1265 and 1422 of the said Code, and amend articles 179 and 180 of the said Code concerning the rights of married women in the Province of Quebec?

4. If so, from whom and when?

Hon. Jean-François Pouliot: Honourable senators, I would like to know if the honourable Minister of Justice has returned to fulfil his duties as such.

Hon. Mr. Aseltine: Honourable senators, I understand, after inquiry, that the Minister of Justice is still absent and I have not been able to get the answers to the honourable member's inquiry.

QUESTION OF PRIVILEGE

Hon. Mr. Pouliot: Honourable senators, I now rise on a question of privilege. The place of the Minister of Justice—and I have known several ministers of justice—is in his seat in the House of Commons of Canada during the session, except when he is called away from Ottawa or out of the country on national business.

I regret this very much, for I have a great deal of esteem for the present incumbent of that position, who is a distinguished confrère, a fellow member of the bar. But I cannot conceive why it is, when there are important matters to be looked after, that a senior minister such as the Minister of Justice runs away from his official duties as guardian of the law. I remember Mr. Lapointe; I remember Mr. Guthrie, who was most impressive as Minister of Justice. When he spoke he said what was the law, and everybody listened to him with great respect.

I regret honourable senators, that I am unable to repeat to you what I have been told. I will not tell you that, but what I know and what I am sure of is that I have the right to presume that the Minister of Justice has left Ottawa in order not to answer the very inquiry which is on the Order Paper in my name.

Hon. Mr. Aseltine: No, no.

Hon. Mr. Pouliot: And at the request of the various provincial attorneys general in Canada. A copy of my inquiry has been sent to the chief justices of all the provinces of Canada. A copy has not been sent to the Supreme Court because the justices of that court receive the Senate *Hansard*. For the same reason it has not been sent to honourable senators, but it has been sent to the lawyers in all parties in the House of Commons. It has been sent to the Press Gallery, not for publicity, but to inform them about this most important matter. I know what was the reaction. Apparently, the telephone wires have been alive with requests that the inquiry should not be answered. There have been telephone calls from coast to coast to beg the Prime Minister and each member of the Cabinet, including the Minister of Justice himself, not to answer it. He chose the easiest manner in which to avoid answering officially those questions I have the right to have answered. He has gone, gone with the wind. What will the people in the western part of Canada who have an interest in this think of it? They are looking after the election—

Hon. Mr. Aseltine: I object to the statement being made by the honourable senator. What he says is absolutely unfounded. The Minister of Justice never left Ottawa, except on business, and that has nothing to do with his not answering the inquiry of the honourable senator.

Hon. Mr. Pouliot: The honourable senator is loyal to his minister, and I congratulate him for it, but as there are telephone wires between Ottawa and every part of the country it would have been easy for the Minister of Justice to give instructions to his department to answer these very questions. His voice must be familiar to his deputy minister; his voice must be familiar to his parliamentary assistant or secretary; his voice must be familiar to his own office. It would have been easy for him to telephone the appropriate one and give instructions as to how these questions should be answered.

That they have not been answered I regret very much, not for myself, but for the Minister of Justice and the Government. The Prime Minister has a copy of these questions, as has the Leader of the Opposition and the Leader of the New Democratic Party.

I wonder if the Prime Minister has sent the Minister of Justice away—I do not know. I do not affirm that.

Hon. Mr. Hollett: Honourable senators, I rise on a point of order.

Hon. Mr. Pouliot: What is it?

Hon. Mr. Hollett: Is not the honourable gentleman very much out of order in making a speech on this item at this time? There is an appropriate time, but it is not now.

Hon. Mr. Pouliot: Speaking now to the point of order. I rose on a question of privilege. The honourable senator from Burin (Hon. Mr. Hollett), as the Leader of the Opposition in the legislature of his province for many years, must be familiar with what is a question of privilege. A question of privilege may be raised by a member of either house who has not received satisfaction, who is insulted, or who has a grievance of any kind to air, and it is from his seat in the chamber that he has the right to speak to it.

My honourable friend is very genial and is a good party man. However, I am not now speaking on politics, but on the law. I speak as a member of the Senate of Canada, entitled to have an answer, which I have not yet received.

Yesterday the honourable Leader of the Government told me that the answers had to be initialled by the minister responsible. That is quite a formality. How is it that the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) has received an answer to his inquiry? He has received an answer because the Minister of Transport, who is responsible for the Canadian National Railways, has agreed to answer him. How is it that the honourable lady senator from Fredericton, New Brunswick, (Hon. Mrs. Fergusson) received an answer to her inquiry of international interest the other day? It was that the Secretary of State for External Affairs had agreed to the answer being given to her. We have a regular way to proceed in these matters. There is certainly a way to proceed when the law has been ignored. The provincial attorneys general are in a difficult position now. This is why I cannot get a definite answer from the Department of Justice.

I think very highly of the honourable the Leader of the Opposition (Hon. Mr. Macdonald, Brantford), as I do also of the honourable the Leader of the Government in the Senate (Hon. Mr. Aseltine). I have great regard for both of them. However, I find this position a saddening one, one which is most regrettable, and I do not see that there is any excuse whatever for it.

BUSINESS OF THE SENATE

Hon. Walter M. Aseltine: Honourable senators, I understand that there are two bills to come before the Senate before this Parliament comes to an end. One is the interim supply bill, which I mentioned yesterday, and the other is a bill dealing with the final supplementary estimates for the last financial year. It is to be hoped that they will be dealt with in the other place some time this afternoon and that they will come to us a little later today.

Therefore, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell later this afternoon. I would ask honourable senators kindly to remain within the hearing of the bell so that we may reassemble promptly.

Hon. Mr. Vien: Can the honourable Leader of the Government (Hon. Mr. Aseltine) say whether he expects the business of the house to conclude tonight or tomorrow?

Hon. Mr. Aseltine: I regret I cannot answer that question, as I do not know when we will receive these bills from the other place.

Hon. Mr. Roebuck: When is the call of the bell likely to take place—in one hour or two hours?

Hon. Mr. Aseltine: I understand that there are three speeches to be made in connection with the legislation which was being dealt with yesterday. We will resume after those speeches have been made and the bills have been given second and third readings in the other place. I doubt that the call will be before 5 o'clock.

The Hon. the Acting Speaker: The house will adjourn now during pleasure, to reassemble at the call of the bell, at approximately 5 o'clock this afternoon.

The Senate adjourned during pleasure.

At 4.50 p.m. the sitting was resumed.

APPROPRIATION BILL NO. 4, 1962

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-89, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Bill read first time.

SECOND READING

Hon. Walter M. Aseltine, with leave of the Senate, moved the second reading of the bill.

He said: Honourable senators, the purpose of Bill C-89, copies of which have just been distributed to honourable senators, is for granting to Her Majesty certain sums of money for the public service for the financial year ending March 31, 1962. It provides for the sum of $138,416,981, being the final supplementary estimates for the fiscal year ended March 31.

The bill is in the usual form with the exception of section 4, which it was necessary to include because these supplementary estimates were not passed prior to March 31 last. That section reads as follows:

> Notwithstanding the provisions of the Financial Administration Act, the amounts appropriated by this act may be paid at any time on or before the thirtieth day of April, one thousand nine hundred and sixty-two, and such payment shall be deemed to have been made in and be chargeable to the fiscal year ending the thirty-first day of March, one thousand nine hundred and sixty-two.

In other respects the bill is in the form we usually receive when we are considering supplementary estimates.

I have stated that the amount of these final supplementary estimates is $138,416,981. I would like to point out for the information of honourable senators that the nine large items make up the greater part of these final supplementaries. For example, Vote 682, is for agricultural lime assistance to various provinces, and the amount required for that purpose is $1,362,000. Vote 685 is to cover the net operating loss of the Agricultural Stabilization Board, in the amount of $23,139,333. This is very much less than in 1959, when the amount was $57.6 million, and in 1960 it was $69.5 million. Vote 684 is for the purpose of paying the operating loss of the Agricultural Products Board, in the amount of $4,861,998. Vote 704 is for the assessment for the United Nations Congo Ad Hoc Account, for 1961-62, in the amount of $2,612,591.

The very large item, Vote 752, is to cover the Canadian National Railways deficit for the calendar year 1961, in the amount of $67,307,772. Vote 754 is to cover the Trans-Canada Air Lines deficit for the calendar year 1961, in the amount of $6,450,082. Vote 764 is a loan to the Central Mortgage and Housing Corporation of $8,500,000. Vote 766 is to cover a loan to the St. Lawrence Seaway Authority of $4,125,000. Vote 765 is a loan to the municipalities and municipal sewerage corporations, during the year 1961, of $3 million.

The items I have mentioned amount to a total of $121,358,776, and make up the greater part of the total of these final supplementary estimates.

I will now give to honourable members some information about the total amount which will have been voted when these supplementary estimates are passed. That amount will be $4,235,769,488. The balance of the total expenditures for the fiscal year 1961-62 is made up of statutory items which do not require to be voted.

Hon. Mr. Macdonald (Brantford): What do they amount to?

Hon. Mr. Aseltine: I do not know whether I have the division or not. The total of the main estimates as tabled was $6,837,516,305. The statutory portion of that was $3,148,575,410. The difference between those two figures is the amount that is required to be voted, namely, $3,688,940,895 which, with the supplementaries we have already passed, and which we shall pass when we approve this bill, make up the total of $4 billion-odd, which I have just mentioned. I think that is the information about which the honourable senator was inquiring.

Honourable senators, I have a great deal of information in my blue book and I shall do my best to answer any questions that you may wish to ask.

Hon. G. Percival Burchill: Honourable senators, while the figures which the honourable leader has given us are somewhat staggering, we appreciate very much the explanations he has given.

I rise to bring to the attention of the house what I consider is a very important matter in connection with Vote 752, the Canadian National Railways deficit, and which was the announcement in the press a short time ago, that the Canadian National Railways plan to spend $40 million to build a microwave system across Canada.

Honourable senators, I want to begin by giving a breakdown of the figures which make up the deficit of $67,307,772 for the last operating year.

The loss on operations alone for the year amounted to $11,842,410. This loss was reduced by $7,010,548, which is described as other income. I do not know from what source that income flows. That reduced the operating deficit to $4,831,862. The total fixed charges the railway had to meet during the year amounted to $72,987,242, less interest on loans to Trans-Canada Air Lines of $10,511,332, which left a balance of $62,475,-910, to which has to be added the operating loss. This brings the total deficit to $67,307,772—the loss on the year's operations.

I do not want it thought that I am critical of the Canadian National Railways. In fact, I want to pay tribute to the organization. Anybody who travels as much as I do on the Canadian National Railways, and in particular on the wonderful Ocean Limited, must be proud that we Canadians have such a superb train. I feel that it is a great credit to Canada. I want to say that its whole crew, its conductors, porters, and in fact everyone connected with it, have been most courteous and helpful, and have endeavoured in every way they possibly could to make our travelling comfortable and pleasant. I am sure all who travel on that train will support that tribute.

Hon. Mr. Pouliot: Hear, hear.

Hon. Mr. Burchill: I do not want to take anything away from the Canadian National Railways, as far as rail operations are concerned. The management has a difficult job on its hands. Transportation in this country is a challenging responsibility, and the difficulties are not made any easier when the system is being operated for the Government. I have always believed in the doctrine—and my belief has been confirmed since coming to Ottawa as a parliamentarian —that any area in which private enterprise will operate should be free of Government competition. In fields where private enterprise is willing to risk capital it should be allowed to do the work. The Government should operate only in endeavours which private enterprise will not enter, and which can better be served by Government operation. In that connection, we find that the Canadian National Railways system, in order to provide rail service, is building hotels, but in its great wisdom it then turns those hotels over to management people to operate and manage, as has been done in the case of the Queen Elizabeth Hotel.

In the light of that policy, with which I agree, it is most difficult to understand how that organization can justify embarking upon a project which involves spending $40 million to build a microwave system from Halifax to Vancouver and go into competition with the large telephone companies of this country.

As honourable senators know, there is a highly efficient microwave system serving the nation at the present time, operated by the Trans-Canada Telephone System. That system consists of the following telephone companies:

The Avalon Telephone Company of Newfoundland;

Maritime Telegraph and Telephone Company, operating in Nova Scotia and Prince Edward Island;

The New Brunswick Telephone Company Limited, operating in New Brunswick;

The Bell Telephone Company operating in Ontario, Quebec, Labrador, and parts of the Northwest Territories;

Manitoba Telephone System of Manitoba;

Saskatchewan Government Telephones of Saskatchewan;

Alberta Government Telephones of Alberta; and

British Columbia Telephone Company of British Columbia.

The Trans-Canada Telephone System was established in 1931 to co-ordinate and develop long-distance services on a national scale. Each member of the system is responsible for providing local telephone service in the communities within its territory. In addition, each member is responsible for making available long-distance services to interconnect these communities and, through the facilities of its associates in the telephone industry, to provide access to other parts of Canada and the world.

The first coast-to-coast telephone network using wholly Canadian facilities was opened by the system in 1932, thirty years ago. As the national economy expanded the demand for long-distance communication services increased, and the decision was made to construct a microwave radio relay system. This was completed in 1958 at a cost of $40 million. This system now carries between 250 and 1,000 telephone circuits. It also carries network television programs for both the Canadian Broadcasting Corporation and the CTV system.

The capacity of this system can be increased to some 20,000 telephone circuits and three two-way television channels. This increase will be made whenever demand for service justifies it. The point I want to emphasize is that the cost of making this increased capacity will be very much less than the building of a new system. The potential capacity of the system is more than sufficient to meet all foreseeable requirements, including those of the railways and of the Canadian Overseas Telecommunication Corporation. The system has offered to provide Canada's railways with all the communication systems they require, at rentals which are far below the cost the railways would incur if they built the facilities themselves.

Since its foundation, the Trans-Canada Telephone System has improved the scope and quality, and reduced the cost of its services. In 1932, for example, some 32,000 calls were completed over the system's facilities. By 1952 the number had risen to 796,000, and

by 1960, following completion of the microwave system, it exceeded 2,250,000 per annum. Along with this, long-distance telephone rates have been voluntarily reduced, providing an important stimulant to the Canadian economy.

Since the system was formed there have been seven rate reductions, and another is planned to take effect in May this year. To illustrate the progressive lowering of rates, one can consider the cost of a three-minute daytime station-to-station call between Halifax and Vancouver. In 1932 it cost $9.75; in 1952 it was $4.90; today it costs $3.70; and in May the proposed cost will be only $3.35. Similarly, the cost of a three-minute nighttime station-to-station call between these two cities has dropped from $5.75 in 1932 to $2.80 today. Honourable senators can at present talk between Halifax and Vancouver for three minutes at nighttime for $2.80.

It is anticipated that within a few years the growth in east-west telephone traffic will make desirable a more direct connection than that provided at the present time by the trans-Canada microwave system, and it is expected that an alternate trans-Canada microwave system will be fully completed within five years.

Honourable senators, I think I have said enough to convince you that the proposal of the railways to construct a parallel system is not sound. For the foreseeable future, Canada will no more need three parallel networks competing with one another than she will need a microwave system to the moon.

Apart from the expenditure of capital moneys, which is important, the construction of another network would mean a loss of business to the present system and this, in turn, would undermine the financial health of its members. Another network would affect every individual member of the telephone system in Canada and would ultimately have the effect of raising telephone rates. Therefore, this proposal, if it materializes, will affect every telephone user in this land.

The announcement was made in the press not so very long ago that the railways intended to spend $40 million for the construction of this microwave system, which I say is not required, and which will only do damage to the Trans-Canada Telephone System. The present system is doing a wonderful job for us in Canada and is taking good care of our economic requirements.

Honourable senators, I have presented this information at this time under this item of our legislative business because I feel that it is a matter of great national concern about which honourable senators should be informed.

Hon. Gordon B. Isnor: Can the honourable senator say if there has been a corresponding reduction in short distance rates by the individual telephone companies?

Hon. Mr. Burchill: In some instances, yes, but not generally.

Hon. Mr. Isnor: May I inquire as to the purpose of this move by the C.N.R.? I think there are two very important questions to be answered.

Hon. R. B. Horner: Honourable senators, I should like to say a few words about this subject. After we held a meeting of the Standing Committee on Tourist Traffic I received a pleasing letter from Donald Gordon, President of the Canadian National Railways. He enclosed a number of attractive advertising brochures and posters published by the C.N.R. These posters display wonderful Canadian scenes, and if any honourable senator wishes to see them I will make them available.

It occurred to me that perhaps the Canadian Travel Bureau could work more closely with the publicly-owned C.N.R., and the president did inform me that his company was conducting an extensive advertising program throughout the United States and elsewhere. In reply to his letter I told him I had heard many complaints about the new symbol "CN" being used on Canadian National Railway equipment. In my opinion, the new monogram "CN" looks like a twisted piece of wire, and apparently it is not proving to be as popular as the old C.N.R. monogram.

I just wanted to mention that Donald Gordon has shown an interest in the work of our Tourist Traffic Committee, and to inform honourable senators that these folders would be available for their perusal.

I should like to say how pleased I am that the C.N.R. hotel in Ottawa finally built a parking lot and new entrance on its west side, which was a project I suggested be undertaken many years ago. I think the time has come for the hotel to add more rooms. With Canada's rapid growth in population, the railways have seen fit to enlarge their hotels in such centres as Edmonton and Toronto, and this should also be done in Ottawa.

Hon. Mr. Macdonald (Brantford): Are you proposing that 500 rooms be added to the Chateau Laurier?

Hon. Mr. Horner: Yes. I am speaking of ordinary guest rooms. Some of the present rooms in the Chateau Laurier are too large to be profitable, but the hotel is well equipped with convention and banquet rooms. It is a beautiful building but I think an additional 500 rooms could be added at the back without

detracting too much from the general appearance of the present structure. I am sure this addition is bound to come, and it should not be too long delayed.

Hon. Donald Cameron: Honourable senators, the Chairman of the Standing Committee on Tourist Traffic, the honourable senator from Blaine Lake (Hon. Mr. Horner), has referred to criticism made of the new monogram or design "CN". I have heard similar criticism but I should like to say—and I think I know a little bit about this—that it is a simple design, modern in every sense and, in my view, is very much smarter in appearance than the old initials "CNR". While it may take a little time to become accustomed to the new monogram, it represents a step in the right direction, that of streamlining and smartening up the C.N.R. organization to meet the standards of the twentieth century.

Hon. Gordon B. Isnor: Honourable senators, the discussion which has just taken place in connection with one item illustrates how desirable and necessary it is to bring in a bill such as this long before the dying hours of Parliament.

I should like to say something about the activities of the Canadian National Railways. If I were to do so I would have to disagree with my honourable friend from Banff (Hon. Mr. Cameron), who, of course, is much better informed than I am about art and designs. However, I look at it from a practical business point of view.

For many years we have seen boxcars standing in railway yards all over Canada, and the United States as well, bearing the emblem of the maple leaf on each side. In the centre of that green maple leaf were the white initials CNR. This has been a familiar advertising symbol for the Canadian National Railways for some 50 to 75 years. Now my well-versed friend in art, the honourable senator from Banff, says that this monogram "CN", which I say you can hardly recognize as you see it on the side of a train as it passes, is smart, simple and modern in design. I agree with the Chairman of the Standing Committee on Tourist Traffic that it looks like a twisted piece of wire. I doubt very much that it has resulted in an improvement so far as business is concerned.

Hon. Mr. Cameron: The company could restore the maple leaf.

Hon. Mr. Isnor: That is fine. Write to Mr. Gordon about it. I wrote to him about this very point, and he sent me a long letter telling me how times have changed, and so on. Realizing that I am 77 years old, I say nothing more.

Hon. Mr. Macdonald (Brantford): We are going to put the maple leaf on the flag.

Hon. Mr. Isnor: I think that the Canadian National Railways are to be complimented on their recent endeavour to create more business, particularly from Montreal to Halifax, by the lowering of rates. That, I believe, is a good move. Business firms do it in the form of clearance sales once or twice a year. It brings them many new customers and millions of dollars of additional revenue. I think Mr. Gordon and the C.N.R. are to be congratulated for their endeavour to increase traffic, especially on the Ocean Limited.

Honourable senators, I repeat that it is a mistake for this or any Government to bring in estimates in the closing hours of Parliament. As senators, we cannot do justice to them, and I do not think the public appreciates the thought of our rushing through billions of dollars of supply in the short time we have at our disposal. I know that if we were to raise a question on one of the External Affairs items and ask the honourable Leader of the Government (Hon. Mr. Aseltine) to explain, for instance, how Canada's contributions to the Congo compare with those of other nations, whether we are doing more than our share, and whether we are enjoying the prestige we should by our increased support, it would take him some little time to answer such a question. There are questions one would like to ask about other items, but we have not the time to deal with them. I think that is a deplorable situation. Not only that, but we are asked to pass items that should have been passed by March 31, 1962. The honourable Leader of the Government (Hon. Mr. Aseltine), who introduced this bill, has brought to our attention these various items of expenditure, but there is not sufficient time to discuss them.

Now, it is a good principle to attempt to pay off our debts, but I wonder if the Government's expenditures now being provided for will be added to the deficit it has been building up ever since the day it assumed office. I believe Canada is losing the prestige she has always enjoyed in the past, and also her good reputation for credit.

Honourable senators, we have had four supplementary estimates placed before us involving large expenditures. Let me read from an editorial in the Montreal *Gazette* of April 12 last—a publication that is fairly friendly to the present Government:

> The situation now is that the country has overspent itself. And the time has come to switch the emphasis away from what governments can give, or people would like, to what government and

people must undertake together; namely, the hard, steady, determined task of earning.

That is what must be done to balance the budget. Instead, we are incurring a deficit of $745 million this year, as well as the extras which will accumulate, as they did last year and the year before.

Here is another paragraph from the editorial which, by the way, bears the appropriate heading: "There's Hope in Facing Facts":

> Every province in Canada is budgeting for a deficit. The pressure of these regional needs is not to be withstood, especially in education, and health, and other services to expanding communities.

Well, that is all right, but the fact is all ten provinces are budgeting for a deficit, and if all are to follow the example of the federal Government, where will this country be, from a pure business standpoint, 10 or 20 years hence? Will we in future enjoy the position of financial prestige which we have enjoyed in the past? These are matters to which we must give serious consideration. In this program of spending, spending, spending, we must give some thought to meeting our financial obligation, not by creating paper money, but by earnings, and by developing all of our resources.

With regard to the deficits created by the present Government alone, we could, as a straight business proposition, go to the city of Toronto with the amount of those deficits and purchase the entire assets of that city. This is an alarming situation.

Honourable senators, I do not want to talk election, but I am sure that the working man, the man in business, and indeed people in all walks of life, are agreed that the unemployment situation created by this Government is shocking, as also is the huge deficit it has created. It is a serious situation, and I hope the Leader of the Government (Hon. Mr. Aseltine) will give consideration to the points I am trying to make. The Minister of Finance is less experienced in financial matters, but I am told he is a good lawyer. Perhaps the leader will try to get the minister to present another budget at the next session—if he has the opportunity of doing so—to see if he cannot work towards a balanced budget.

I have one particular question to ask the Leader of the Government with regard to Vote 764, for $8,500,000, the loan to the Central Mortgage and Housing Corporation under the National Housing Act. Just what is the purpose of that particular loan?

Hon. Mr. Aseltine: I have the breakdown in the records before me, but it would take quite a long time to give the full explanation. However, I shall endeavour to answer the honourable senator.

In Newfoundland, $98,535 was spent, of which the corporation's share was 75 per cent, or $73,901; in New Brunswick, $526,538, of which the corporation's share was $394,904; Nova Scotia, $3,383,243, corporation's share, $2,537,432; and so on. This is the explanation: In compliance with subsection (3)(a) of section 36 of the National Housing Act, 1954, the Minister of Public Works may advance to the corporation for the purpose of meeting the corporation's share of the capital cost of projects undertaken under this section such amounts as may be requested by the corporation. The amount drawn from the special account as advances to Central Mortgage and Housing Corporation for housing and land assembly projects undertaken jointly with provincial governments during the calendar year 1961 was $8,500,000. I have the breakdown, and it covers three or four pages of my blue book.

Hon. Mr. Isnor: I do not think honourable senators are particularly interested in the breakdown, so far as dollars and cents are concerned. I think they would like to know, and the country would like to know, the financing principle by which it is proposed to deal with this matter on the books, and if the intention is to pass it over to the trust companies of Canada to carry on in future respecting individual loans. If so, is it the intention to advance loans to the trust companies or to individual holders?

Hon. Mr. Aseltine: I cannot answer that question.

Hon. Mr. Isnor: Again, one sees how difficult it is to get information when these estimates come to us at so late an hour.

I have another question to ask the Leader of the Government (Hon. Mr. Aseltine). Can he make a comparison on a percentage basis of the contributions made by Canada, the United States, and Russia, for instance, to Vote 704, with respect to the Congo?

Hon. Mr. Aseltine: I have all the items here, but it will probably take half an hour to deal with them.

Hon. Mr. Isnor: It should not take half an hour to tell what are the contributions of those three countries.

Hon. Mr. Aseltine: Some of the nations are behind in one assessment, some are behind in two assessments. I understand there are 64 nations behind in two assessments. Canada is not behind; it has paid its assessment in

full. To list all of those countries that are in arrears would be too big a job for the time we have at our disposal.

Hon. Mr. Isnor: Thank you. Senator Fergusson, who sits on my left, remarks that we should have more time, and I agree.

The question I asked can be summarized in this way: What was Canada's contribution, Russia's contribution, and the contribution of the United States? I want to see Canada given full credit for its fine work in the United Nations.

A few years ago Canada's prestige was very high all over the world. I recall that in 1952, and I am just trusting to memory now, Canada's contributions ranked second, or perhaps it was fourth—at any rate it was high —among all the nations represented in the United Nations. I am wondering if we have maintained our position, and what Russia has been doing.

Hon. Mr. Aseltine: Russia is away behind in its assessments.

Hon. Mr. Isnor: I think the country should know that Russia is behind. That is one of the points I wish to bring out. However, if the leader cannot give me that information I do not wish to press him for it.

Hon. Mr. Power: Honourable senators, along those same lines, would the honourable leader tell us who is providing the pay and allowances, and the equipment and maintenance costs of Canadian troops in the Congo? They are at the disposal of the United Nations, I understand, but who is actually paying them?

Hon. Mr. Aseltine: I have a list of the nations who are assessed.

Hon. Mr. Power: No, that is not my question. Our men must be getting their pay at the end of every month. Does it come from the Canadian Government or from the United Nations?

Hon. Mr. Aseltine: I think that Canada makes its contribution to the United Nations and the United Nations pays the money out.

Hon. Mr. Power: I am inclined to think the contrary. However, I will accept my honourable friend's view on it, with some doubt.

Hon. Mr. Isnor: Honourable senators, may I come back to one of my favourite subjects, the St. Lawrence Seaway. I am wondering what the item of $4,125,000 covers. It is described as a loan. Have you any particulars as to how that money is to be spent?

Hon. Mr. Aseltine: I understand there are a lot of unsettled claims, and that they are working on settlements. I think I gave some explanation on that point when I introduced the last supplementary estimates. This is Vote 766.

I have a long explanation of increases and decreases in amounts originally provided for by way of general items: the Lachine section, the Soulanges section, the St. Francis section, and so on. In some cases there is a credit and in other cases there is a debit, and this is the amount that is calculated to be required to pay the outstanding claims. For instance, in the Lachine section provision is made for claims and contract settlements, amounting to $3,116,995. In the International Rapids section it is $1,490,900. In the Thousand Islands section, there is a credit of $177,400, and so on.

That is how these amounts are arrived at.

Hon. Mr. Isnor: Thank you very much.

Hon. Mr. Vaillancourt: Vote 685. Can the honourable leader tell us what goes to make up this amount of $23,139,333? This is described as the operating loss incurred in 1961-62. I presume it is to cover the loss incurred by the Agricultural Stabilization Board on butter and cheese.

Hon. Mr. Aseltine: I have all the figures here, and I will be pleased to give the honourable senator the whole table. It covers purchases, the amount in storage and the sums paid out. For example, as of March 31, 1961 there were 52,773,297 pounds in storage. That is butter, solids and oil, all under the one heading. The estimated purchases for that year were about 104 million pounds and the estimated sales during the year were about 40 million pounds. The estimated cost for the year ending March 31, 1962 is $1,667,672.

Hon. Mr. Vaillancourt: Is it not more than that?

Hon. Mr. Aseltine: I repeat, the estimated purchases amounted to 104,150,000 pounds. Estimated sales amounted to 40,150,000 pounds. The inventory at the end of March 1962 amounted to 64 million pounds.

Hon. Mr. Vaillancourt: What does 64 million pounds at 64 cents a pound amount to?

Hon. Mr. Aseltine: I have not made that calculation.

Hon. Mr. Isnor: The honourable senator from Fredericton (Hon. Mrs. Fergusson), has just drawn a very interesting point to my attention. She wonders if the Leader of the Government realizes that it is costing us, in one year, just about the same amount as it cost to finance the entire operations of World War I, over a period of more than four years.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: With leave of the Senate, I move the third reading of the bill now.

Motion agreed to and bill read third time and passed.

APPROPRIATION BILL NO. 5, 1962

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-90, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

Bill read first time.

SECOND READING

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Mr. Aseltine: With leave of the Senate, I move the second reading now.

Hon. Mr. Macdonald (Brantford): Is there any urgency about this measure?

Hon. Mr. Aseltine: I understand the intention is to have royal assent at a quarter to six.

Hon. Mr. Macdonald (Brantford): I will not hold it up under those circumstances.

Hon. Mr. Aseltine: Honourable senators, this bill is somewhat similar to one that was introduced by the present honourable Leader of the Opposition (Hon. Mr. Macdonald, Brantford) on April 12, 1957, when he was the Leader of the Government in this house. At that time one month's supply had been voted, and the bill provided for a further six months' supply, plus additional proportions of 47 special items.

Hon. Mr. Macdonald (Brantford): I might say that I hope the Leader of the Government recalls what happened to me after I introduced that bill in 1957.

Hon. Mr. Aseltine: You were not criticized to any extent. I note that I did not say anything on that occasion.

Honourable senators, as I have said, the bill we are now considering is similar to that one. We have already voted supply for the months of April and May, and this bill votes supply for the next five months, making seven months in all, as was the case in the bill passed on April 12, 1957. Supply will be voted to take care of the expenses of Government up to October.

The bill is in the form we have requested the Department of Finance from time to time to use, and it provides for five-twelfths of all the items in the main estimates. It also provides for one-third of 25 votes, one-quarter of five votes, one-sixth of 15 votes and one-twelfth of 34 votes, the reason being that the works and matters upon which this money is to be used are of a seasonal nature and the money, in addition to the five-twelfths, is required to pay for these matters which have to be dealt with during the summer months—such items as surveying, mapping, and technical surveys.

Five-twelfths of the total of the amount of the items set forth in the main estimates amounts to $1,666,406,647.92, and with the additional amounts being requested for summer work and seasonal payments the total is $1,704,710,347.93.

Honourable senators, I wish to give the same undertaking as the honourable Leader of the Opposition gave when he, as Government Leader, introduced a similar bill in 1957. After stating that the bill was in the usual form for interim supply bills, he said this:

> The passing of this bill will not prejudice the rights and privileges of members to criticize any item in the estimates when they come up for consideration in this house. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this bill.

That, honourable senators, is a very brief explanation as to why the money is needed at the present time. It will carry the Government and pay the expenses of carrying on the business of the country until such time as the next Parliament meets, some time later this summer or early in the fall.

Hon. Gordon B. Isnor: Honourable senators, one hesitates to repeat oneself, but the words I used earlier are fitting in the present situation. It is awful to think that we are asked to consider an amount of over $1,700 million in such a manner.

I think it was on last Friday evening that the leader of the house in the other place (Hon. Mr. Churchill) said the supply bill could pass in ten seconds, if they wished—referring, of course, to the other place. I thought at the time that that was a very foolish statement for him to make.

Hon. Mr. Aseltine: Is the honourable senator referring to the main estimates?

Hon. Mr. Isnor: I am referring to the supplementary estimates, and this is part of the main estimates.

Hon. Mr. Macdonald (Brantford): That is the statement he made.

Hon. Mr. Aseltine: I do not know.

Hon. Mr. Isnor: These are all connected with the budget items. They are all part of our expenditures. I was struck by that statement at the time. I do not think the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) would make such a foolish remark. But it went on record that the balance of the estimates could be disposed of in a matter of ten seconds.

This is an amount of $1,704,710,347.93. I do not know that it is satisfactory to say—if the Leader of the Opposition made the statement attributed to him—that we could consider this and ask questions at some future time. I do not think there will be any future time at which we can ask these questions of the present Government.

Hon. Mr. Aseltine: This five-twelfths which is requested is not the whole of any one estimate. The estimates will have to come up again in due course and at that time any questions can be asked.

Hon. Mr. Isnor: That is part of the $1,666,406,647.92. However, there is an additional amount bringing it, as I mentioned a moment ago, to $1,704,710,347.93. Therefore, there are items which require some explanation. Let us look at the items in Schedule A. There is an additional one-third of the following votes: Votes 40, 45, 80, 85, 90, 95, 100, 105, 107, 110, 120, 140 and 145.

Hon. Mr. Aseltine: Honourable senators have had the estimates in their hands for two months. All these items are referred to in the volume which the honourable senator has in his hand.

Hon. Mr. Isnor: I venture to say that the honourable Leader of the Government (Hon. Mr. Aseltine) has never tried to correlate these different items with the estimates as contained in this Blue Book.

Hon. Mr. Aseltine: I would like to advise honourable senators that this is what has been done every time before dissolution, as long as I have been here—and that is more than 26 years. I stated that on April 12, the then Leader of the Government introduced this form of bill for a similar amount of money, within about five minutes of dissolution.

Hon. Mr. Isnor: What year was that?

Hon. Mr. Macdonald (Brantford): 1957.

Hon. Mr. Aseltine: I do not say that it is the right thing to do, but I do not see what else we can do.

Hon. Mr. Isnor: Two wrongs do not make a right. That is a recognized adage.

Hon. Mr. Burchill: The honourable Leader of the Government (Hon. Mr. Aseltine) says he has been here for 26 years and that this custom has been followed every year. I agree with what he says. Does my honourable friend ever recall any occasion when the Senate altered any of these figures? I say that the reason this measure is brought over to us is just to give us information. That would seem to be the only reason, so that this chamber would know something of the expenditures.

As has been pointed out here, everyone knows it is impossible to get any comprehension of these figures in the few minutes in which we study them before prorogation. I have said before, and I repeat, that we should have a finance committee.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Burchill: And that it should operate during the session. We should have our own committee to make a report to us, so that at least we would know what we are talking about. As it is we certainly do not know anything about the figures. I make this suggestion again to the honourable Leader of the Government (Hon. Mr. Aseltine), that in another year, when he leads the house, he should see to it.

Hon. Mr. Aseltine: If and when.

Hon. Mr. Burchill: Then, let me appeal to the Senate to see to it that a strong finance committee is set up and goes to work at the beginning of the session, to study these matters. Such a committee could make a report to this body, and in that way we would know something about these matters.

Hon. W. Ross Macdonald: When the Leader of the Government (Hon. Mr. Aseltine) introduced this bill, he reminded the house that I introduced a similar bill in 1957. May I remind him and the house that when I introduced that bill I sat to the right of the Honourable the Speaker, while he was on his left. He said that he made few, if any, remarks on that occasion. Today he sits to the right of the Honourable the Speaker. I will content myself by saying nothing, hoping that the same result may follow.

Motion agreed to and bill read second time.

THIRD READING

The Hon. the Acting Speaker: Honourable senators, when shall this bill be read the third time?

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate, I move third reading of the bill now.

Motion agreed to and bill read third time and passed.

ROYAL ASSENT

The Hon. the Acting Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE

Ottawa

18 April 1962

Sir,

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, in his capacity as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 18th day of April at 5.45 p.m. for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,

Your obedient servant,

A. G. Cherrier
Assistant Secretary
to the Governor General.

The Honourable
The Speaker of the Senate.

The Senate adjourned during pleasure.

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act to incorporate Brock Acceptance Company.

An Act to incorporate Gerand Acceptance Company.

An Act respecting Canada Security Assurance Company.

An Act to amend the Canada Grain Act.

An Act respecting The Canadian Indemnity Company and the Canadian Fire Insurance Company.

An Act respecting Reliance Insurance Company of Canada.

An Act to amend the Representation Act.

An Act to amend the Veterans' Land Act.

An Act to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

An Act to incorporate Greymac Mortgage Corporation.

An Act to amend the Customs Act.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1963.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of the Governor General was pleased to give the royal assent to the said bills.

The House of Commons withdrew.

The Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

BUSINESS OF THE SENATE

Hon. Mr. Brunt: Honourable senators, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell.

Hon. Mr. Macdonald (Brantford): May I ask the acting Leader of the Government (Hon. Mr. Brunt) if he can give us some idea of when we might be recalled? It is now approximately half-past six. Is the intermission likely to be long enough for us to have dinner?

Hon. Mr. Brunt: The Clerk has advised me that the members are returning to the other place, and we have not been advised what they are going to do. However, I am led to believe that the other house is going to give further consideration to divorce bills, and I am quite certain we will not be called back here for at least an hour. Perhaps I would be safe in saying an hour and a half.

Hon. Mr. Connolly (Ottawa West): Can the honourable senator say whether there will be another royal assent tonight?

Hon. Mr. Brunt: If the divorce bills are passed, I think it is the intention to give royal assent to those bills.

Motion agreed to.

The Senate adjourned during pleasure.

At 6.50 p.m. the sitting was resumed.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave of the Senate, that when the Senate adjourns today it do stand adjourned until Thursday, April 26, 1962 at 8 o'clock in the evening.

Hon. Mr. Roebuck: Explain. I think we are entitled to an explanation. If there is no explanation, I shall vote against it.

Hon. Mr. Brunt: When we adjourned earlier I made the statement that we would adjourn for an hour or an hour and a half, and would resume to consider some divorce bills. Now, we are back in 25 minutes.

Hon. Mr. Aseltine: I understand that the other house did not get anywhere with the bills.

Hon. Mr. Roebuck: We are entitled to some sort of explanation.

Hon. Mr. Aseltine: I understand the other house brought the matter up again and it did not get anywhere; and that house has now adjourned.

Hon. Mr. Roebuck: Brought up what matter? Divorces?

Hon. Mr. Brunt: Divorces.

Hon. Mr. Roebuck: Then the other place has given the divorce bills what is tantamount to a six-months hoist.

Hon. Mr. Brunt: I would say that that is correct. The matter was brought up and it was found that they could not overcome the opposition, so they adjourned.

Hon. Mr. Power: Until when?

Hon. Mr. Brunt: Until the same day as we propose to adjourn to, April 26.

Hon. Mr. Roebuck: And dissolution may come at any moment, irrespective of that?

Hon. Mr. Brunt: Yes.

Motion agreed to.

The Senate adjourned until April 26, 1962 at 8 p.m.

(The Twenty-Fourth Parliament was dissolved by Proclamation of His Excellency the Governor General April 19, 1962.)

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Abbreviations

1r, 2r, 3r	= First, second, third reading
amdts	= amendments
com	= committee
consid	= considered
div	= division
m	= motion
neg	= negatived
ref	= referred
rep	= report
r.a.	= royal assent

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8.	Canadian National Railway, construction of a line of railway from Optic Lake to Chisel Lake and purchase from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the Province of Manitoba, an Act to amend	C-48
9.	Canadian National Railway, construction of a line of railway from Whitecourt, Alberta in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation	C-63
10.	Children of War Dead (Education Assistance) Act, an Act to amend .	C-65
11.	Civilian War Pensions and Allowances Act, an Act to amend	C-64
12.	Appropriation Act No. 2, 1962 ..	C-78
13.	Canadian National Railway, construction of a line of railway in the Province of Quebec between Matane and Ste-Anne des Monts.	C-67
14.	Export Credits Insurance Act, an Act to amend	C-68
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16.	Fisheries Improvement Loans Act, an Act to amend	C-74
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TRUST AND LOAN COMPANIES—*Concluded*

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